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TODAY: STYLE Royal Leather, Page 10

Yet Again? Mir's Main Computer Fails

NASA TV/The Associated Press

The unmanned Progress cargo spacecraft lining up the Russian space station Mir during a docking maneuver. After a main computer failure, the two craft docked manually Monday.

Mishap Occurs During Cargo Docking; Guidance Outage Hampers Power Supply

By David Hoffman
Washington Post Service

MOSCOW — The beleaguered Russian space station Mir suffered another serious setback Monday as the vessel's main computer system failed during an attempt to dock with an unmanned Progress cargo craft.

The docking was completed manually, but the failure left Mir once again with its solar panels unable to replenish power automatically from the sun. It forced yet another postponement in major repairs on Mir stemming from a crash nearly two months ago.

Vladimir Solovyov, the flight director at Mission Control outside Moscow, said a repair spacewalk, originally set for Wednesday, would be postponed for at least two or three days while the Russian-American crew attempts to restore the computer system.

Mr. Solovyov said that, without the on-board computers, the flight path of Mir would be "chaotic."

"Unfortunately, right now the system of station orientation is not operational," he said. "The computer will be switched off until morning. There will be no attitude control at all."

"We don't know the consequences of this chaotic flight."

While officials said the new complications do not endanger the two Russians and one American on board, the world's only permanently manned space station was thrown into another unexpected crisis after two months of mishaps and errors that have called into question whether it should be junked.

The computer that stopped working is used to automatically keep the Mir's energy-generating solar panels in proper orientation to the sun. Without the computer guidance system, the crew must conserve power by shutting down all but the most vital systems, and periodically fire booster rockets to keep Mir in a correct position.

Such failures go to the heart of questions about the future of Mir, because without reliable power, its value as a platform for scientific experiments is doubtful. The United States has committed $473 million over five years for joint cooperation with Russia on the Mir program, but the continuation of the program could be put in jeopardy if sufficient power cannot be restored.

Mir has been in a similar position at least twice since the June 25 accident in which a Progress freighter rammed into the 11-year-old space station. The first was immediately after the accident, when Mir lost half its power. The second time was July 17 when the crew accidentally disconnected a cable. Both times, the computer systems were righted after a day or so.

Monday's failure occurred just as the crew was docking with an unmanned Progress freighter, which is used to ferry food and fuel to Mir. The

See MIR, Page 6

Wall Street Rebounds As Panic Disappears

Dow Closes Up 108 After Heavy Selling In Europe and Asia

By Erik Ipsen
International Herald Tribune

NEW YORK — Wall Street staged a late comeback Monday after stock markets around the world had reeled downward in a delayed, and for the most part muted, reaction to Friday's steep sell-off in the U.S. stock market.

U.S. stocks opened higher on Monday morning, then turned down after European markets had closed and finally rebounded strongly in late trading. The Dow Jones industrial average closed up 108.70 points, at 7,803.36.

European markets endured sharp losses in the first half of the day, led by Germany, where the DAX index in Frankfurt was down 4.2 percent at one point. Most European bourses, including Germany's, however, had already pulled out of their dives by the time the opening bell sounded in New York.

"We had already recovered significantly before the Dow even opened," said Steve Right, an equity strategist with BZW in London. "Yes, stock prices are high, but they are supported by an awful lot of cash still around in the market."

Proof of that faith came as London, Europe's largest stock market, ended the day with the FTSE 100 index down only 0.63 percent, having opened with a loss of 1.5 percent. The DAX in Frankfurt, meanwhile, more than halved its earlier losses, closing down 1.79 percent.

While investors in Europe, and later in the day in America as well, took comfort in the growing sense that the worst of the storm had passed, many Asian investors did not fare nearly so well.

In many emerging Asian markets, Wall Street's woes on Friday combined with investor concerns over two months of turmoil in the currency markets that began in Thailand and has now engulfed the region and produced a wave of sell orders.

In Indonesia, stock prices shed 8.3 percent of their value in wild morning trading that only added further downward pressure on the country's battered currency, the rupiah.

By late afternoon, however, investors smelled opportunity in the wreckage and began wading back into the market, forcing stock prices back from their worst losses. The market managed to

See STOCKS, Page 12

The Dollar		
New York	Monday @ 4 P.M.	previous close
DM	1.8335	1.8204
Pound	1.6062	1.6093
Yen	118.00	117.585
FF	6.1705	6.1425

The Dow		
	Monday close	previous close
+108.7	7803.36	7694.66

S&P 500		
change	Monday @ 4 P.M.	previous close
+11.68	912.49	900.81

Pro-Israel Militia in Lebanon Shells Sidon, Killing at Least 6

By Douglas Jehl
New York Times Service

JERUSALEM — In the bloodiest attack against Lebanese civilians in more than a year, at least six people were killed and more than three dozen wounded Monday when artillery shells fired by pro-Israeli militiamen slammed into the port city of Sidon, 40 kilometers south of Beirut.

The bombardment was the first to strike Sidon since Israel's April 1996 air and artillery onslaught, and it came in clear violation of the cease-fire that ended 17 days of fighting with an agreement by both sides to halt attacks on civilians.

The shells were fired by a pro-Israeli militia from Jezzine, an enclave that lies north of the security zone that the Israeli Army and its Lebanese allies occupy in southern Lebanon. The militia reports to General Antoine Lahd, the Lebanese Christian who commands the South Lebanon Army, the force that operates side-by-side with Israeli forces inside the occupation zone.

Israel pays, trains, supplies and directs the 1,000 or so members of General Lahd's forces who operate inside the zone. But senior Israeli officials insisted Monday night that the militamen who carried out the attack operate entirely outside Israeli control, and that, for that reason, Israel bore no responsibility for it.

Nevertheless, Israeli television reported that in the aftermath of the attack Defense Minister Yitzhak Mordechai had sharpened his instructions to General Lahd and his forces to avoid indiscriminate attacks.

Launched in apparent retaliation for a roadside bombing Monday morning that killed three Lebanese civilians, the shelling of Sidon added another bloody incident to increasing violence in southern Lebanon that is threatening again to spiral out of control.

In the last nine days, at least 25 people have been killed in the region, more than half of them civilians. Forces that returned fire Monday at the pro-Israeli enclave in Jennine reportedly included not only the pro-Iranian Hezbollah, or Party of God, but also the Lebanese Army, which has

See ATTACK, Page 6

Chinese Moving Slowly On U.S. Summit Steps

By Steven Erlanger
New York Times Service

WASHINGTON — Visiting China last week, President Bill Clinton's national security adviser, Sandy Berger, made his best case to President Jiang Zemin about how to produce a substantive and image-enhancing summit meeting in Washington at the end of October. But the Chinese are still debating necessary steps on human rights and nonproliferation, senior U.S. officials say.

In public, Mr. Berger is playing down the prospect of "dramatic breakthroughs" during the long-anticipated meeting, scheduled Oct. 28. But in China, he laid out various initiatives that Mr. Jiang could take to make the meeting more successful by attracting fewer protesters and muting congressional criticism.

Those steps include the completion of a "road map" on human rights issues, which would include the release from prison on medical grounds of such noted dissidents as Wang Dan and Wei Jingsheng and an agreement to let the International Committee of the Red Cross make prison visits in China.

It also would require China to resume a serious human rights dialogue with U.S. officials and nongovernmental organizations, to invite noted American religious leaders to visit China, to sign a United Nations covenant on social and economic rights and to agree to a frank discussion by Mr. Jiang of all issues with congressional leaders.

Chinese leaders, at their summer retreat, are hammering out key personnel changes before next month's party congress, which is held every five years. They must decide who will replace the conservative Li Peng, who has completed his term as prime minister, and what job Mr. Li will receive.

But the Chinese are also discussing summit meeting issues, U.S. officials

See SUMMIT, Page 4

Jean-Christophe Kahn/Reuters

A GATHERING OF PILGRIMS — Young Italians arriving Monday by train in Paris, the first of hundreds of thousands expected to attend a weeklong festival that will include Pope John Paul II. Page 5.

AGENDA

Couples and Janzen Join U.S. Golf Team

Tom Kite, captain of the U.S. Ryder Cup golf team, picked Fred Couples and Lee Janzen on Monday to round out his 12 players for the match against Europe on Sept. 26-28 at Valderrama in Spain.

The other 10 places were settled Sunday evening at the end of the PGA Championship at the Winged Foot Golf Club near New York. Davis Love 3d won the tournament, his first major, ensuring that he would finish in the top 10 points leaders and gain an automatic place on the team. Page 18.

U.S. Will Back Treaty

EDGARTOWN, Massachusetts — In an apparent reversal, the Clinton administration announced Monday that U.S. officials will participate in negotiations to agree on a 150-nation treaty banning antipersonnel land mines by year's end. Until now, the United States had refused to join the process initiated by Ottawa, instead urging a UN conference. *(AP, AFP)*

PAGE TWO
New York City's Angry Haitians

THE AMERICAS Page 3.
The Bug Spray That Was a Disaster

Books ..... Page 10.
Crossword ..... Page 9.
Opinion ..... Pages 8-9.
Sports ..... Pages 18-19.

The IHT on-line http://www.iht.com

U.S. Presses Its Research To Improve Nuclear Arms

By William J. Broad
New York Times Service

NEW YORK — Although the Cold War ended years ago, the United States is hard at work on new or modified designs for nuclear arms, a formerly secret federal document reveals.

Critics say the document shows that the nation is undermining a treaty that is intended to halt innovations in making weapons of mass destruction. Government officials strongly disagree and insist that the work complies with the international accord.

The Energy Department document is one of the nation's official plans for work on nuclear arms, which involves 25,000 people in a highly secretive industry.

"The laboratories are currently working on programs to provide new or modified designs," the document says, adding that the work "will exercise a broad range of design skills."

The document says the work on some types of warheads includes steps toward redesigning the heart of the hydrogen bomb, its atomic trigger.

A declassified copy of the document was obtained by the Natural Resources Defense Council, a private group in Washington that advocates arms control and monitors arms work internationally. The council gave a copy of the document to The New York Times.

The document was declassified in June and obtained in July after the council sued the Energy Department, which maintains the nation's nuclear arsenal for the military. The council plans to

See ARMS, Page 6

Women Now Majority in Peace Corps

By Amy Joyce
Washington Post Service

WASHINGTON — When she was 33 years old, Molly Bogdan left a "nice home, nice car, nice dog, nice guy and nice business" in Albuquerque, New Mexico, and headed to Romania as a volunteer with the Peace Corps.

At the time, she had two successful businesses, no husband and no children. It was the right time, she decided, and the Peace Corps was the way to "repay the goodness that was given to me."

The Peace Corps is changing and Ms. Bogdan is part of the reason why. Today, women, across the range of ages, make up the majority of Peace Corps volunteers — 59 percent for this year's training class, a record.

The percentage of female volunteers and trainees has almost doubled. At its inception in 1961, 63 percent of volunteers were men and only 37 percent women.

Since the early 1970s, the number of female volunteers and trainees has continued to grow. Today, 3,867 women are serving in all 91 of the Peace Corps countries.

U.S. reports "dramatic" rise in the number of women in jail. Page 3.

Women make up the majority of volunteers everywhere the Peace Corps serves except in Asia, where there is generally a balance of women and men.

The rise in female volunteers reflects, in part, the increase of women in the U.S. work force, according to recruiters.

The Peace Corps director, Mark Gearan, said this trend "really completes the mission of the Peace Corps" because "we send people reflecting our own country."

But also, female volunteers are sought to help meet the increase in Peace Corps programs focusing on

See CORPS, Page 6

Newsstand Prices			
Bahrain	1.000 BD	Malta	55 c
Cyprus	C £ 1.00	Nigeria	125,00 Naira
Denmark	14.00 DKr	Oman	1.250 OR
Finland	12.00 FM	Qatar	10.00 QR
Gibraltar	£ 0.85	Rep. Ireland	IR £ 1.00
Great Britain	£ 0.90	Saudi Arabia	10 SR
Egypt	£E 5.50	S. Africa	R12 + VAT
Jordan	1.250 JD	U.A.E.	10.00 Dh
Kenya	K. SH. 160	U.S. Mil. (Eur.)	$ 1.20
Kuwait	700 Fils	Zimbabwe	Zim.$30.00

Crusade Against Crucifix: Does Bavaria Have a Prayer in Court?

By William Drozdiak
Washington Post Service

BRUCKMUEHL, Germany — When he decided last year to challenge the powerful role of the Roman Catholic church in state schools, Josef Obermeier never imagined that his antagonists would try to make his life hell.

Within days, he began receiving the first of a stream of anonymous death threats. Other phone callers warned that his daughter would be kidnapped. Motorists cruising down his street tossed burning packages onto his lawn. Finally, a neighbor planted a 10-foot-tall crucifix in front of his house — and then obtained a court order prohibiting Mr. Obermeier from removing it.

Such events had never occurred in this tidy Bavarian village, a serene pastoral community 25 miles southeast of Munich.

But once Mr. Obermeier dared complain about the crucifix hanging on the wall of his daughter's classroom and pressed his argument in the courts, the taciturn electrician became the target of a vicious hate campaign.

Mr. Obermeier's freedom-of-religion case is now wending its way through Germany's legal system, and nobody will be surprised if it winds up in the highest court in the land.

The controversy is assuming new urgency as Germany evolves into a multicultural society.

More than 7 million foreigners now live in Germany, a greater number than in any other European country. They include Turkish and Iranian Muslims, Russian Jews and Asian Buddhists.

In addition, many secular Germans are questioning why organized religion should play so central a role in their political culture.

The state collects a church tax to pay the salaries of clergy and clerics sit on advisory councils that approve content of radio and television programs.

Germany has found it difficult to break the historical bonds linking religion, education and politics.

Chancellor Helmut Kohl's Christian Democratic Union and its Bavarian sister party, the Christian Social Union, have deep Christian roots and draw much of their political support from churches.

Since gaining power 15 years ago, Mr. Kohl's governing alliance has been solicitous about protecting church interests. The government has rebuffed efforts to curtail a church-support tax.

Mr. Kohl himself has vowed to preserve the identity of Germany as "a bastion of Christian civilization."

With Parliament unable or unwilling to establish clear guidelines, the task has fallen to a legal system that has become embroiled in volatile conflicts affecting society's basic institutions.

Two years ago, Germany's supreme court struck down a Bavarian law requiring the display of crucifixes in classrooms because it violated a constitutional requirement of "religious neutrality" in public institutions.

The ruling was the culmination of a 10-year crusade by the Bavarian artist Ernst Seler, who said he did not want to send his three children to schools

See GERMANY, Page 6

Accusation of Torture / **N.Y. Immigrants Sense Betrayal**

Attack on Haitian Sows Fear and Anger

By Garry Pierre-Pierre
New York Times Service

NEW YORK — The choir sang the French hymns with even more spirit than usual, and the parishioners' shouts of "Amen!" and "Hallelujah!" seemed to shake the church's brick walls. And the preacher's voice, normally soft, thundered across the pews.

"Blessed are you when men revile you and persecute you," the Reverend Philias Nicolas 2d told the congregation at the Evangelical Crusade Church in Flatbush, Brooklyn's largest Haitian church.

"If it wasn't because of Jesus, we would be mourning a death," he said, referring to Abner Louima, who is a parishioner at his church as well as his nephew.

Mr. Louima remained in critical condition at Brooklyn Hospital Center, a victim of what the authorities say was an incident of police torture on Aug. 9.

After reading the passage in French from the Book of Matthew, Mr. Nicolas thanked the regular worshipers and the scattering of unfamiliar faces: New York City officials and political candidates.

"This is not a problem of the Nicolas family, nor a Haitian problem," Mr. Nicolas said. "This is a problem of humanity and we must act."

The incident has sowed fear, anger and a sense of betrayal from a community that has traditionally tried to keep authority figures at arm's length.

Many members of New York's booming Haitian population say that the incident has particular resonance not only because of their past in Haiti, where the police have been feared as the source of brutal oppression and torture, but also because of their uneasy status in New York City.

Although many Haitian immigrants have moved quickly into New York's middle and professional classes, many say they still often find themselves judged by their "triple minority" status, as immigrants, blacks and non-English speakers.

"We are hurt and our psyche is bruised," said Dr. Edouard Hazel, president of the Haitian Medical Association, a physicians' group based in New York. "We work hard and try to move forward. But when something like this happens, it leaves you with a lot of unanswered questions."

When Haitians began to settle in New York City three decades ago, most tried to follow a simple credo: work hard and don't get involved with the authorities. But many Haitians say that this credo has been tested by the chilling accusations against the officers in the 70th Precinct.

One officer has been criminally charged, and his partner the night of the attack has been assigned to desk duty in a shake-up at the precinct after the incident.

The attack that has been alleged reminded some Haitians of a similar scene from a popular Haitian film, "The Man by the Shore," which was released in the United States last year and depicts the brutality of the Duvalier regime.

"Abner is our man by the shore," said Tatiana Wah, chairwoman of the Haitian American Alliance, a community group. "This should galvanize the community into taking actions."

FACED with a language barrier, little knowledge of American culture and a troubled homeland, Haitians in New York have kept to themselves. That has left many others with the impression that Haitians are a close-knit community that is unwilling to broker alliances, and hostile to other groups, particularly American-born blacks.

"It's solid," Serge Demorcy, a longtime community advocate, said of the relationship between the two groups. "No African-American leader has turned his back on us. That doesn't mean that there haven't been some isolated incidents like children calling each other names."

Ms. Wah said her organization was reaching out to other groups as it was organizing a protest march from Grand Army Plaza in Brooklyn to the police department headquarters in Manhattan on Aug. 29.

As more and more Haitians have settled in New York, their relationship with the police has been troubled by misunderstanding, many Haitians say. Business owners have grumbled that the police have not been doing enough to protect their establishments. Neighborhood residents have said the police have not responded quickly enough to their calls for help and have grown more abusive.

But as familiar as these complaints are, they have not been matched by concerted efforts at political involvement or community organizing.

As relatively new immigrants, many Haitians in the city say they have tended to focus their gaze backward to Haiti.

Until recently, they would huddle around radios, following the latest events in Haiti. After the overthrow of the Duvalier dynasty in 1986, many Haitians hoped that they would soon return home.

In the last few years, a new cadre of second-generation Haitian-Americans has developed a growing sense of rootedness here and an interest in local political life.

Several events — starting with official statements in 1990, later rescinded, that Haitians could not give blood because they were believed, mistakenly, to be more likely to carry the AIDS virus — have led Haitians to mount protests and form the kind of local associations that gain access to elected officials and press for better jobs and housing.

David Karp/The Associated Press

Reuters

Raymond Diaz, above, the newly appointed police commander of the 70th Precinct in Brooklyn talking to demonstrators after a march last weekend protesting the alleged sexual assault of Abner Louima, 30, a Haitian immigrant, on Aug. 9. Mr. Louima remained in a Brooklyn hospital in critical condition.

The first wave of Haitians arrived in New York City in the late 1960s as exiles from the dictatorship of Francois Duvalier, and since then Haitians have established themselves as an upwardly mobile immigrant group with a strong work ethic.

Haitian-Americans estimate they number about 300,000 in New York City, and the city Planning Department's statistics show that between 1990 and 1994, nearly 15,000 Haitians settled in New York.

At first, the Haitians carved a niche for themselves near Columbia University in Manhattan where they would gather and discuss ways to overthrow Mr. Duvalier. But as it became gradually clear that that possibility was beyond their reach, the exiles decided to make their stay permanent.

By the late 1980s, Morningside Heights was no longer the Haitian haven. When gentrification had priced the neighborhood out of reach, people began moving to Cambria Heights and Jamaica in Queens. The new, poorer arrivals settled in Crown Heights, Brooklyn.

Haitian weekly papers, like the Brooklyn-based Haiti Observateur and Haiti Progres, report the minutiae of politics back home. Radio and cable television broadcast heated political debates and, increasingly, instructions on coping with life in America.

"We used to think that we were living the American dream," Kenol Pierre-Louis, 34, said the other day. "We were among the model citizens and the dream is now turning bad."

Mr. Pierre-Louis shares an apartment in Brooklyn with two friends who left Haiti with him in February 1986, days before Mr. Duvalier fled to France. He said he had simply given up hope that Haiti would provide him a better life.

Mr. Pierre-Louis eventually earned a diploma in heating and refrigeration and is now thinking of starting his own business.

"That's not bad for a poor guy from the slums of Port-au-Prince," he said. "America is still better than Haiti. But when the police can do something like they did the other day, it's scary."

Exotic Seaweed Chokes Life of Mediterranean

By Marlise Simons
New York Times Service

NICE, France — No one remembers quite what happened in the tropical aquarium of a German zoo two decades ago, but its experiments with an exotic Pacific seaweed, biologists say, have unleashed a monster that has escaped and is threatening marine life in the western Mediterranean.

The biological alien looks rather delicate. It is made up of elegant bright-green fronds and it has spawned luxuriant-looking meadows along the sea floor, crawling into ports, coves and straits.

What makes *Caulerpa taxifolia* a menace is that it appears toxic to many Mediterranean creatures and has been suffocating everything in its path.

A gift from the German zoo to several other institutions, it is thought to have gotten into the Mediterranean some 15 years ago, when the aquarium of the Oceanographic Museum in Monaco emptied its tanks.

Since then, the invader has proliferated wildly along the French Riviera, around the Spanish island of Majorca and off the coast of Italy, and has shown up as far away as Croatia.

By many estimates, it already occupies more than 8,000 acres (3,200 hectares).

Researchers say that in the past three years, it has been more than tripling annually.

Some scientists have described the plant as an aggressive mutant of a far more discreet tropical cousin.

Wherever the newcomer has established itself, it has crowded out most other plants and animals, and, most worrying to biologists, it has smothered the beds of native sea grass that serve as the nurseries for many species of the Mediterranean.

"It's like a tumor that can't be stopped and that chokes everything around it," said Alexandre Meinesz, a professor of biology at the University of Nice-Sophia Antipolis, and part of a team researching the problem.

A professor of marine biology at the University of Marseille, Jean-Francois Boudouresque, said, "The worst is that it produces a monoculture that threatens the whole Mediterranean ecosystem."

Amateur divers and professionals from the French and Spanish navies have tried destroying the smaller patches by hand or by using suction pumps, only to see the strands bounce back and spread again soon after.

Some marine scientists propose bringing in a predator; some say the plant cannot be fought at all.

Mr. Meinesz said of the seaweed, "It adapts to anything — rocks, sand, mud. It thrives equally well in agitated currents and quiet inlets and in polluted and pristine waters."

The seaweed's arrival has been traced to the Wilhelmina Zoo, in Stuttgart, Germany, which in the 1970s imported different kinds of tropical seaweed for its tropical aquarium. "It grows very well, it looks nice and it's the ideal seaweed for an aquarium," said Isabel Koch, the zoo's curator of fishes and reptiles.

Zoo officials said their Caulerpa taxifolia came from the Pacific but they could not reconstruct exactly what happened next, except that the seaweed was subjected to ultraviolet light, aquarium chemicals and human selection.

French and Italian biologists who have studied the plant in its Pacific and Caribbean habitats are convinced that the German zoo, perhaps inadvertently, created a powerful hybrid.

"What we have here is a sort of monster," said Mr. Meinesz.

Most astonishing, he said, the plant now grows up to six times the size of the tropical one, spreads faster and quickly dominates its surroundings.

The Wilhelmina Zoo gave portions of the seaweed to other aquariums, including one in Paris and one in Nancy. Nancy sent some to the Oceanographic Museum of Monaco. It was beneath the seaside Oceanographic Museum that marine biologists spotted the Mediterranean's first taxifolia plants in 1984.

On the Spanish island of Majorca, Antoni Gran, the head of marine resources, regularly dispatches teams of divers to the inlets where the weed has settled, possibly carried on the anchors of pleasure boats.

"Where this seaweed grows, everything else disappears," Mr. Gran went on. "There are no more sea anemones, starfish, crabs, shrimps and very few fish. The whole ecosystem changes."

In Port Saint-Cyprien, in France just north of the Spanish border, divers, after uprooting all the seaweed in 1991, found the blanket was almost 20 times bigger in 1993. Last summer, the town poured 10 tons of salt on a particularly dense stretch. But only a fourth of the treated plants died.

'Monster' plant thwarts efforts of French and Spanish Navy divers.

The seaweed has also defeated the French Navy. It sent down its divers several times to destroy large meadows off the city of Hyeres, only to find that, perversely, the disturbed fields grew back even faster.

Although not toxic to people, the plant's toxin appears strong enough to deter most Mediterranean creatures. In one experiment, Mr. Boudouresque found that sea urchins ate their own waste and resorted to pieces of plastic, rather than touch the seaweed.

With European Union funds, researchers are now mapping the plant's journey and testing ways to destroy it. An information campaign is under way, with 60,000 pamphlets in six languages asking fishermen, divers and yachtsmen to report the plant and, when they catch it in nets and anchors, not to throw it back into the sea.

In a laboratory in Nice, biologists have bred thousands of snails, a species brought from the Caribbean, where it devours the local variety of the seaweed. The team is awaiting permission from the French government to unleash the snail army. But critics fear that the remedy may introduce new biological troubles.

Mr. Meinesz, an advocate of the operation, insists it is safe. "We have proof that the snail only attacks this seaweed," he said. "We'll put it in the sea in the spring and it will die from cold, in December."

EVER WONDER...

... what the return of Hong Kong to Chinese sovereignty means to the British colonial customs that have mingled with Chinese culture for more than 150 years, giving Hong Kong its unique East-meets-West flavor?

Ever wonder if double-decker buses still ply the streets, or if you can still see the lights on at the governor's former residence in Upper Albert Road? Indeed, is it still called Upper Albert Road, and is there still a Queens' Road and a Prince Edward station on the MTR underground railway?

Can you still take high tea in the sumptuous lobby of the Peninsula Hotel?

Ever wonder if the noonday gun, immortalized by English playwright Noël Coward, still fires each day? Do mad dogs and Englishmen still go out in the midday sun?

The gun will fire as long as British trading *hong* Jardine's loads it up, says a government spokesman. You won't see too many mad dogs in urban Hong Kong, except for the traditional British pubs bearing the name. As for the English, there are still plenty of them, particularly in the pubs.

The buses still run, as do the open-top brass and wood antique trams.

The street names are still the same, and the pianist still plays at the Peninsula, in Hong Kong, where wonders never cease.

http://www.hkta.org

香港 HONG KONG
wonders never cease

Sponsored by the Hong Kong Tourist Association.

TRAVEL UPDATE

Airlines Lag on Smoke Detectors

WASHINGTON (AFP) — Many U.S. airlines have not installed cargo-hold smoke detectors and fire extinguishers despite the example set by last year's ValuJet crash, according to the chairman of the National Transportation Safety Board.

"I'm mainly disappointed because this goes back to a 1988 recommendation" made by the board, James Hall said in an interview on NBC television. "Had that recommendation been implemented, it is certainly questionable whether the ValuJet accident would have happened at all."

The safety board is expected to release a report Tuesday on the ValuJet crash in Florida in May 1996 that killed all 110 people on board. Investigators have focused on a shipment of oxygen canisters that may have either caused or helped intensify a fire aboard the aircraft. The Federal Aviation Administration has proposed that airlines install smoke detectors and fire extinguishers within a three-year period.

Moscow Museum to Reopen in '98

MOSCOW (AP) — After 11 years of renovation, Moscow's State Historical Museum plans to open its doors next year on Sept. 1. The project to remodel the 125-year-old museum, at Red Square, has dragged on for lack of funds.

A Cruise Line for Orthodox Jews

HAIFA, Israel (AFP) — A shipping company has launched a cruise line exclusively for ultra-Orthodox Jews, Israel Radio reported. The Royal Dream cruise ship will carry 300 Orthodox Jews on the company's inaugural cruise to Cyprus. The Ukrainian owner of the ship has installed special segregated compartments for men and women, the radio said.

Correction

Because of incorrect information provided by Reuters, a caption accompanying a photo in the Business/Finance pages on Aug. 14 was erroneous. The photo showed a solicitor acting for the Business Software Alliance as he examined disks bought by private investigators, not disks captured in a raid in Singapore.

WEATHER

Forecast for Wednesday through Friday, as provided by AccuWeather.

Jetstream · Unseasonably Cold · Unseasonably Mild · Heavy Rain · Heavy Snow

North America
Pleasant with lots of sunshine in Boston and New York Wednesday and Thursday, but showers are likely Friday. A storm brewing in the Midwest will spread clouds and rain across Chicago and into Detroit Wednesday and Thursday. Sunny, dry and hot across the Southwest.

Europe
There could be a shower in London Thursday; otherwise, pleasant with some sun Wednesday into Friday. Plenty of sunshine and warm from Paris and Amsterdam to Berlin and Warsaw. Norway and Sweden will also have nice weather. Rain will stretch from northern Greece to northern Italy.

Asia
The remains of Typhoon Winnie will cause heavy rain over eastern China, especially near Hong Kong and over the Shandong peninsula. Beijing and the northeast will be hot with some sun Wednesday through Friday. Very warm to hot and humid in Seoul and Tokyo with thunderstorms possible.

Europe

	Today High	Today Low W	Tomorrow High	Tomorrow Low W
	C/F	C/F	C/F	C/F
Algarve	28/82	18/64 s	28/82	18/64 s
Amsterdam	26/79	17/62 s	26/79	17/62 s
Ankara	24/75	7/44 s	24/75	10/50 s
Athens	27/80	19/66 s	27/80	20/68 s
Barcelona	25/77	19/66 sh	25/77	19/66 pc
Belgrade	30/86	15/59 pc	28/82	15/59 pc
Berlin	26/79	15/61 pc	26/79	15/59 sh
Brussels	27/80	16/61 s	26/79	17/62 sh
Budapest	27/80	18/61 pc	27/80	15/59 r
Copenhagen	25/77	13/61 pc	24/75	14/57 pc
Costa Del Sol	31/88	20/68 s	31/88	20/68 s
Dublin	23/73	17/62 pc	24/75	18/64 c
Edinburgh	24/75	16/61 pc	25/77	17/62 pc
Florence	29/84	16/61 c	28/82	18/61 r
Frankfurt	26/79	14/57 pc	25/77	13/55 s
Geneva	29/84	14/57 pc	28/82	14/57 pc
Helsinki	22/71	12/53 pc	22/71	13/55 pc
Istanbul	29/77	19/66 s	25/77	17/62 s
Kiev	20/68	11/52 pc	20/68	12/53 pc
Las Palmas	28/82	20/68 s	26/79	20/68 s
Lisbon	27/80	17/62 s	25/77	17/62 pc
London	26/82	17/62 pc	27/80	18/64 s
Madrid	33/91	16/61 pc	34/93	16/61 sh
Mallorca	29/84	18/64 pc	29/84	19/66 pc
Milan	28/82	16/61 c	28/82	18/64 pc
Moscow	17/62	9/48 c	19/66	12/53 pc
Munich	24/75	12/53 pc	23/73	13/55 c
Nice	28/79	20/68 c	29/79	20/68 c
Oslo	25/77	16/61 pc	25/77	17/62 c
Paris	26/82	18/61 s	27/80	16/61 s
Prague	21/70	13/55 r	25/77	12/53 pc
Reykjavik	15/59	12/53 c	18/64	9/48 r
Riga	23/73	14/57 s	23/73	14/57 pc
Rome	28/82	18/64 pc	28/82	18/64 r
St Petersburg	21/70	15/59 pc	22/71	15/59 c
Stockholm	23/73	16/61 pc	23/73	15/59 pc
Strasbourg	28/84	16/61 pc	28/82	16/61 r
Tallinn	22/71	13/55 s	22/71	14/57 pc
Tbilisi	27/80	17/62 sh	28/79	17/62 sh
Venice	27/80	17/62 c	28/79	18/64 c
Vienna	25/77	14/57 sh	28/79	15/59 pc
Warsaw	24/75	12/53 pc	24/75	11/52 s
Zurich	27/80	15/59 pc	26/79	16/61 pc

Middle East

Abu Dhabi	43/109	27/80 s	43/109	29/84 s
Beirut	28/79	19/66 s	29/79	21/70 s
Cairo	32/89	19/66 s	31/88	19/66 s
Damascus	33/91	12/53 s	33/91	14/57 s
Jerusalem	28/79	13/55 s	29/77	14/57 s
Luxor	37/98	17/62 s	38/100	21/70 s
Riyadh	41/106	24/75 s	40/104	26/79 s

North America

	Today High	Today Low W	Tomorrow High	Tomorrow Low W
	C/F	C/F	C/F	C/F
Anchorage	19/66	8/46 pc	18/64	10/50 pc
Atlanta	32/89	22/71 t	31/88	21/70 t
Boston	24/75	14/57 s	22/71	14/57 pc
Chicago	24/75	16/61 t	28/79	18/61 pc
Dallas	39/97	24/75 pc	34/93	23/73 pc
Denver	32/89	14/57 s	29/84	13/55 pc
Detroit	24/75	13/55 pc	24/75	16/61 pc
Honolulu	32/89	23/73 s	32/89	24/75 pc
Houston	36/97	23/73 pc	35/95	23/73 pc
Los Angeles	28/82	19/66 pc	26/82	19/66 pc
Miami	34/93	26/79 pc	33/91	25/77 t
Minneapolis	21/70	15/59 sh	23/73	13/55 pc
Montreal	30/86	9/48 pc	18/64	11/52 pc
Nassau	32/89	23/73 pc	32/89	25/77 pc
New York	27/80	18/64 s	27/80	19/66 pc
Orlando	39/97	24/75 t	33/91	23/73 t
Phoenix	41/106	26/79 s	40/104	27/80 t
San Fran.	23/73	13/55 pc	22/71	14/57 pc
Seattle	29/79	14/57 s	29/79	18/59 pc
Toronto	22/71	9/48 s	22/71	11/52 pc
Vancouver	23/73	13/55 pc	24/75	15/59 pc
Washington	29/82	14/57 pc	29/84	19/66 pc

Asia

	Today High	Today Low W	Tomorrow High	Tomorrow Low W
	C/F	C/F	C/F	C/F
Almaty	36/97	18/64 s	37/99	23/73 s
Bali	30/86	20/68 s	30/86	22/71 s
Bangkok	32/89	24/75 r	30/86	26/78 t
Beijing	36/97	22/71 s	33/89	24/75 pc
Bombay	29/82	24/75 r	29/82	24/75 c
Calcutta	31/88	24/75 t	29/84	24/75 c
Chiang Mai	31/88	22/71 r	31/88	23/73 sh
Colombo	29/84	24/75 sh	29/84	25/77 c
Hanoi	31/88	25/77 pc	31/88	26/78 pc
Ho Chi Minh	31/88	23/73 r	31/88	25/77 r
Hong Kong	29/84	26/79 r	29/84	25/77 r
Islamabad	41/106	27/80 s	39/102	29/79 t
Jakarta	31/88	23/73 s	30/86	23/73 pc
Karachi	33/91	27/80 pc	33/91	28/82 pc
K. Lumpur	32/89	23/71 pc	32/89	24/75 pc
K. Kinabalu	31/88	23/71 pc	31/88	24/75 pc
Manila	31/88	24/75 r	33/88	25/77 t
New Delhi	34/93	24/75 s	33/89	29/79 sh
Phnom Penh	31/88	23/73 r	30/86	25/77 t
Phuket	32/89	24/75 t	29/86	26/79 r
Rangoon	29/84	23/73 sh	28/82	24/75 c
Seoul	32/89	24/75 sh	32/89	24/75 c
Shanghai	29/84	28/82 t	32/89	27/80 r
Singapore	31/88	21/70 pc	31/88	23/73 pc
Taipei	31/88	26/82 r	31/88	26/79 t
Tokyo	29/84	23/73 pc	28/82	25/77 pc
Vientiane	30/86	22/71 r	29/84	23/73 sh

Africa

Algiers	31/88	17/62 pc	31/88	20/68 s
Cape Town	11/52	6/43 r	16/59	6/43 s
Casablanca	25/77	17/62 s	25/77	19/66 s
Harare	26/79	10/50 s	26/79	14/57 s
Lagos	28/82	22/71 c	27/80	24/75 c
Nairobi	24/75	11/52 pc	24/75	12/53 pc
Tunis	32/89	21/70 pc	32/89	20/68 c

Latin America

Buenos Aires	14/57	4/39 sh	10/50	-2/28 c
Caracas	27/80	19/66 pc	27/80	21/70 pc
Lima	19/66	16/61 pc	18/64	17/62 r
Mexico City	26/79	12/53 pc	23/73	13/55 pc
Rio de Janeiro	24/75	19/66 s	26/79	21/70 s
Santiago	8/46	-4/25 pc	7/44	-4/25 pc

Oceania

Auckland	14/57	8/46 r	12/53	5/41 c
Sydney	14/57	7/44 pc	16/61	8/46 sh

Legend: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, i-ice, W-Weather. All maps, forecasts and data provided by AccuWeather, Inc. © 1997

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NORWAY	NOK	832	390	53%
SINGAPORE	S$	146	82	43%
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THE AMERICAS

Mississippi 'Cotton Poison' Creates an Environmental Disaster

By Joby Warrick
Washington Post Service

MOSS POINT, Mississippi — To his many customers, Paul Walls Sr. made but one claim about the cola-colored bug spray he peddled from the back of his truck: "It kills them all," he'd say in a near whisper, "and they don't come back."

He was right about that much. In the small towns along Mississippi's southeastern coast, Mr. Walls became celebrated for his "cotton poison," a mysterious, odd-smelling concoction that obliterated roaches and anything else that slithered or crawled. Only later, after he was arrested, did his customers discover that it can kill people, too.

Mr. Walls's pesticide business was shut down last fall after federal agents — following complaints from competing exterminators — discovered he was illegally using methyl parathion, a neurotoxin so lethal that it is sometimes used in suicides. But by then, Mr. Walls and a business associate, a local preacher named Dock Eatman Jr., had sprayed poison into scores of homes, motel rooms, restaurants and even day-care centers.

In the process, officials say, they helped launch what could soon become one of the decade's costliest environmental disasters, with consequences that are only now being fully realized.

Today, more than nine months after Mr. Walls and Mr. Eatman were arrested, 1,213 Mississippians remain exiled from their homes because of toxins that seeped into floorboards and clung to fibers and plastics. The interiors of nearly 500 buildings are being stripped to the bare studs and rebuilt, all at U.S. taxpayers' expense. Entire trailer homes are being demolished. Furniture, carpets and appliances are being hauled away and replaced. No one has died, but dozens of people have complained of flu-like symptoms while others are worried about future health problems from a pesticide whose long-term effects are not fully known.

The cost is enormous. The $22 million spent so far is about half the $40 million the Environmental Protection Agency expects to spend this year to clean up the damage and compensate the evacuees. The case already has set a new standard for pesticide misuse, while raising questions about the effectiveness of laws that control the distribution of farm chemicals.

An exterminator illegally used a lethal neurotoxin inside scores of homes and other buildings — even day-care centers. It killed the roaches, but today 1,213 persons remain exiled from their homes.

"It's unparalleled," said Hagan Thompson, a spokesman for the EPA's Region IV in Atlanta. "We've never seen a case of this magnitude, affecting so many people and costing so much money."

But the problem is not confined to Mississippi. Batches of methyl parathion that originated in the Deep South have apparently been carried north by other amateur exterminators who have created a web of contamination that extends to Louisiana, Arkansas, Tennessee, Ohio, Michigan and Illinois. In Chicago alone, the EPA is expected to spend $20 million to clean up after Reuben Brown, a retired butcher who sprayed hundreds of homes and apartments with what clients called "the Mississippi stuff."

Nationwide, the epidemic of illegal pesticide-slinging could cost taxpayers $100 million under the federal hazardous waste cleanup program known as Superfund. The cost is estimated to be three times the amount of Superfund money spent in 1983 to purchase dioxin-tainted Times Beach, Missouri.

For the officials in charge of the cleanup, it is an enormous and extraordinarily messy problem made messier by complaints about the cost as well as by the opportunism of some homeowners, who hope to parlay disaster into free upgrades.

The government, which promised to shoulder the cost of removing and replacing contaminated material, is paying as much as $40,000 to rebuild shanties that were on the verge of collapse. At one such house, a pink and purple cottage with a rotting porch and sagging roof, workers struggled to find beams sturdy enough to support new panel walls. Yet the elderly owner insisted on a special textured ceiling speckled with gold glitter.

Methyl parathion is marketed under several trade names and used primarily by farmers as a powerful and inexpensive control for boll weevils and other cotton pests. It is relatively safe if used outdoors because it breaks down into harmless compounds after several days of direct sunlight. But indoors, it can remain deadly for months or even years.

Despite its extreme toxicity — a single teaspoon can kill — no deaths have been reported in any of the cities where the pesticide was sprayed. But medical tests have found scores of people with elevated levels of methyl parathion in their blood, and many others have experienced symptoms from nausea and dizziness to breathing difficulties.

Since November, federal prosecutors have mounted an aggressive campaign to catch and prosecute the small band of black-market exterminators responsible for most of the damage. Six have been arrested and five have been convicted, including Mr. Walls, 62, who was sentenced last month to six and a half years in prison — the longest continuous prison term ever assigned for a purely environmental offense.

A former pipefitter who is described by his lawyer as partially deaf and illiterate, Mr. Walls started his door-to-door home pesticide business after acquiring a commercial license to buy methyl parathion for use on crops. His own words and those of his lawyer, James Hull, a Moss Point municipal judge, paint a portrait of a simple man who believed that becoming an exterminator would make him important.

"I could go somewhere I'd never been before, meet people I never met before," he testified at his trial. "I had no idea it would hurt anyone. That's God's truth."

Britain Plans For Voluntary Evacuation of Montserrat

Compiled by Our Staff From Dispatches

SALEM, Montserrat — Britain was preparing Monday for the voluntary evacuation of what remains of the population of Montserrat, saying that it could no longer rule out the possibility of a "cataclysmic-intensive eruption" on the Caribbean island.

All but about 4,000 of the British colony's 11,000 residents have left since the volcano became active in 1995. At least 10 people died in a violent eruption on June 25. Most of those remaining are crowded into shelters in the rugged north.

Officials in Montserrat stressed Monday that the northern part of the island was safe and that residents should not panic. Details on a voluntary evacuation plan were being worked out, they said.

"There is no question about anyone being forced off the island," said Clive Mansfield, a staff officer with Governor Frank Savage's office.

But the British minister responsible for the colony said Monday that he could no longer rule out a cataclysmic event that could engulf the entire island, which is about 250 miles (400 kilometers) southeast of San Juan, Puerto Rico.

"Over the past 24 hours the volcano has become much more dangerous," George Foulkes, the international development minister, said in London.

"The recent increase in explosive activity is such and the uncertainty attending any hypothesis about the volcano's capacity to go cataclysmic are so great that the potential hazard cannot be taken to be zero," he said. "The consequences of such an event, if it did occur, would be extreme and anywhere on the whole island could be significantly threatened." The British destroyer Liverpool headed toward the island Monday, and community leaders considered organizing extra ferries to evacuate residents. *(AP, AFP)*

Ruth Fremson/The Associated Press

The Clinton group arriving at Block Island, Rhode Island, on their way to the Vineyard. Chelsea Clinton, in hat, brought a friend, Rebecca Kolsky.

No Toiling in Vineyard for Clintons

It's 3 Weeks of Tennis, Horses, Books – and a Hammock

By Peter Baker
Washington Post Service

MARTHA'S VINEYARD, Massachusetts — Just a year ago, the image would have been the stuff of nightmares for his political consultants.

As President Bill Clinton and his family disembarked from Air Force One for the start of their summer vacation, there to welcome them were the television stars Mary Steenburgen and Ted Danson. The Clintons greeted them like the old friends they are. But the picture of the first family hobnobbing with celebrities in this sanctuary for the rich and famous was precisely the vision that led his advisers to keep him away from here for the last two years.

After two poll-approved August outings in the mountains of Wyoming, the election is history, and the president and Hillary Rodham Clinton are again summering on this Massachusetts island with friends from Harvard and Hollywood. Hiking and camping are out. Stargazing and beach reading are back. And if any of his consultants don't like it, well, Mr. Clinton no longer has reason to care.

While it will be the third major presidential vacation in Martha's Vineyard during the Clinton era, this getaway promises to be unusual in several ways.

For one, it will be the longest of Mr. Clinton's peripatetic presidency and there is some friendly wagering among his staff about whether he will really last three weeks before growing bored. For another, it will be the last family retreat before Chelsea, his 17-year-old daughter, leaves home for Stanford University next month.

As emotional as that may be, aides said the president also needs the break to recharge his batteries. In the days before his departure, he seemed distracted, almost burned out — far more interested in the greens in the Vineyard than the in-box in the Oval Office.

"Every other conversation you have with him, it seems to come up," the White House press secretary, Michael McCurry, said as the vacation approached.

"Both of them are really looking forward to this vacation," said Deputy Counsel Bruce Lindsey, one of the Clintons' closest friends and their constant traveling companion. "They're tired and they're ready for some time off."

As they have twice before, the Clintons are staying without charge at the 20-acre (8-hectare) Oyster Pond spread of Richard Friedman, a Boston real estate developer whose property boasts tennis courts, riding horses, a hammock and even a pet pig named Lucy. That hospitality, valued at an estimated $10,000 to $15,000, is legal for a president, according to White House lawyers, but it prompted critical local news reports because Mr. Friedman is fighting with the federal government over plans to build a hotel on public land.

The president brought along a copy of Ken Burns's coming PBS special on Lewis and Clark and a heavy book list, including "John Marshall: Definer of a Nation," by Jean E. Smith; "Betrayal of Science and Reason: How Anti-Environmental Rhetoric Threatens Our Future," by Paul R. Ehrlich; "Thinking in Time: The Uses of History for Decision Makers," by Richard E. Neustadt and Ernest R. May; "God: A Biography," by Jack Miles, and "Assimilation, American Style," by Peter D. Salins.

"Those are the serious tomes," Mr. McCurry said. "That's the bag in the right hand. The bag in the left hand has got all the trashy beach novels."

POLITICAL NOTES

Cuomo and Bennett Join To Lead Fight on Drugs

WASHINGTON — The political opposites Mario Cuomo and William Bennett are joining forces to lead an advertising campaign aimed at dissuading young people from using illegal drugs.

Mr. Cuomo, the liberal former Democratic governor of New York, said over the weekend that he and Mr. Bennett, a conservative Republican who served as President Ronald Reagan's drug policy coordinator, would announce officially Sept. 3 that they would assume leadership of the Partnership for a Drug-Free America.

Together, they plan to seek $350 million from Congress and private sources to bombard young people with prime-time anti-drug messages.

President Bill Clinton's $16 billion anti-drug strategy for 1998 calls for a $350 million media campaign if private sources provide half the money.

"If we get the bill, they'll see more of these ads more often," Mr. Cuomo said.

Although the television industry already donates some air time to public service messages, including the partnership's ads, Mr. Cuomo said a more concerted effort is needed.

America's use of drugs has declined sharply over the past 15 years — from 20 million people to 12 million, according to the latest government statistics. But teenage drug use in the past five years has done a turnaround, rising sharply. *(AP)*

New York Election Law Spurs Political Activity

NEW YORK — A year ago, when New York City voters upheld a measure limiting elected officials to eight consecutive years in office, it was widely predicted that term limits would create a seismic shift in the faces of officeholders when term limits take effect in 2001.

But the advent of term limits has apparently helped to unleash a torrent of political activity fully four years earlier than expected.

With many officials forced to leave office in 2001, many incumbents are scrambling for other jobs. And the vacancies left by those incumbents have drawn out candidates for their old jobs.

"The 1996 vote on term limits started the political equivalent of musical chairs that we're seeing right now," said Jeffrey Plaut, a partner at Global Strategies Group, a political consulting firm in Manhattan that is working with some City Council incumbents. "It's encouraged challengers to seek office and incumbents to look at other offices. No one wants to be standing without an office when the music stops." *(NYT)*

Quote/Unquote

Vice President Al Gore as he walked near Mammoth Hot Springs on the 125th anniversary of Yellowstone's becoming the first national park: "This crown jewel has always been a place of special wonder, the process of ongoing creation. It fills us with respect for its creator." *(AP)*

Bolivians Craft a Guerrilla Theme Park to Lure Tourists: Che's World

By Anthony Faiola
Washington Post Service

VALLEGRANDE, Bolivia — See the very place where Che Guevara lived and died. Trudge through the mud-covered hillside the guerrilla himself once climbed. Talk to the peasants who fed and clothed him and his band. And don't miss the mass grave where his bones, minus the hands that were chopped off 30 years ago and sent back to Fidel Castro, were discovered.

Here in the wilds of central Bolivia, Che the industry is flourishing. With the recent excavation of Mr. Guevara's remains, the trail where the charismatic communist spent his final days is on its way to becoming Che World.

Scores of pilgrims from around the world arrive here each week to walk in the tracks of Mr. Guevara's combat boots. Locals peddle soft drinks and snacks to tourists at double normal prices and, if you need a Che backpack, pin or snapshot, have they got a deal for you. A concert for about 5,000 Che groupies is planned Oct. 9 to mark the 30th anniversary of his execution.

How far has the mania gone? "Che is a god now," said Michel Livet, chief organizer of a group of Bolivian companies now selling the Che Route to tour operators worldwide.

A physician and scion of a prominent Argentine family, Mr. Guevara rewrote Latin American history by becoming a radical revolutionary and a catalyst in the Castro forces' overthrow of Fulgencio Batista, the Cuban dictator, in 1959.

Che — whose given name was Ernesto but who was nicknamed for the Argentine expression for "hey, pal," which he often used — then attempted single-handedly to launch a communist Domino Effect in South America. His mission in Bolivia, however, lasted less than a year before he and his men were captured and executed by the army, with help from the CIA, in 1967.

Mr. Guevara became a pop icon. Even as communism has faded, legions of fans across the world have romanticized Che's ideal of stealing from the rich to give to the poor. The young love him for the rebellion he conjures. The middle-aged love him for the nostalgia he brings of the radical lives they lived before the minivan, the job at Microsoft and the 2.2 kids.

"Che is memories for me," said Paul Rouwelaer, 46, a teacher at a high school near Amsterdam, as he looked down at the red earthen pit where Mr. Guevara's bones were excavated near an airstrip in Vallegrande. "We waved Guevara's banner in the university square as students and he meant equality and justice."

"And he was very sexy, too," added Helga Mayer, 50, a pilgrim from Ludwigshafen, Germany.

The signs of Che Chic are everywhere — and decidedly capitalist. Several movies are in the works, including a big-budget project by Warner Brothers. The rock group Rage Against the Machine used Che on the cover of its latest CD. For the armchair terrorist, Che watches are now available. Three major Che biographies were published in the last year and two are planned for next year.

On the streets of Buenos Aires in his native Argentina, Che photo albums — many containing borderline beefcake shots of the bearded guerrilla — cover souvenir stands. Che T-shirts are for sale from London to San Francisco. And the high-tech Che fan can check out hundreds of Che-related sites on the Internet.

His leftist comrades have rationalized the marketing frenzy into something positive.

Bolivians understandably smell gold. But they lost a big nugget last month when Che's newly discovered bones were shipped to Cuba after scientists identified them genetically. The Castro government is doing its part for Che tourism, building a mausoleum in Santa Clara, Cuba, where the bones will rest.

That left the Bolivians down, but not out.

The sexiest stuff — including the death site — is still here, on the trail where Che, disguised at first as a Uruguayan businessman, came in November 1966 with a tiny band and a plan to turn this forgotten patch of earth into an international training ground for communist guerrillas.

The severely asthmatic Mr. Guevara combed these mountains, often by donkey because walking made breathing difficult.

His diary, later sold to a publishing house by a Bolivian Army officer, suggests that even toward the end, after he had lost several men to desertion and army bullets and was himself wracked by depression, he never quite realized how desperate his situation had become.

It is a longing to reclaim Che's memory that brought, on a recent Saturday night, 31 European, Bolivian and U.S. tourists to the sidewalk outside the offices of a tour company in Sucre, the judicial capital of Bolivia. Along with Santa Cruz, Sucre is one of two launching points into Che Country.

As they prepared to embark on the bus for the seven-hour night journey to the historic route, the tourists began swapping Che stories. . . . not the ideological kind.

"Where did you get that pin?" a Dutchman asked a German teenager donning a fashionable Guevara badge. "They were selling them in the café," the German replied. "Where were you?"

The journey traverses a rugged landscape of winding mountain roads, arid lowlands and raging streams where Mr. Guevara hiked with his men, attempting to coax the locals into providing food and drink.

One of the two main stops on the trail is La Higuera, where Che was killed after a brutal interrogation.

La Higuera had 70 inhabitants in its heyday; today, only about 20 people live there, tending a few animals and a general store that stocked up on soft drinks, bottled water, candy and Che postcards once the tourists started coming.

Away From Politics

- **A threat of fog** forced NASA to postpone for a day the homecoming of the space shuttle Discovery. *(Reuters)*
- **A psychology researcher** in Chicago cured stuttering in an 8-year-old girl and helped three other children by catching their fluent speech on videotape and using the scenes as a model. *(AP)*
- **Timothy McVeigh** told the Buffalo News that his chances of escaping the death penalty for the Oklahoma City bombing through appeal were "slim to none." *(AP)*
- **A special team of food inspectors** has been sent to a Nebraska plant in a recall of 1.2 million pounds of hamburger patties to find the source of E. coli bacteria. The move follows other meat recalls in the country. *(AP)*
- **The Evangelical Lutheran Church in America** voted 839 to 193 to enter into full communion with the Presbyterian Church (USA), the Reformed Church in America and the United Church of Christ. *(AP)*

A 'Dramatic' Rise in Arrests of Women

By George Lardner Jr.
Washington Post Service

WASHINGTON — A growing percentage of the adults on probation and parole across the United States are women, according to a Justice Department report.

While men still commit many more crimes, there has been a "dramatic increase in the number of women arrested" over the past decade, said Allen Beck of the Bureau of Justice Statistics. As a result, women also are a rising percentage of the prison population.

In 1996, Mr. Beck said Sunday, there were more than 650,000 women on probation, 21 percent of all probationers. The 79,000 women on parole make up 11 percent of the total.

In 1990, women represented 18 percent of all probationers and 8 percent of parolees.

The report, compiled by Mr. Beck and an agency statistician, Jodi Brown, said there were about 3.9 million adults on probation or parole at the end of 1996, an increase of 3.4 percent from the year before. Another 1.6 million were in jail or prison, putting the total correctional population in the country at 5.5 million, a new high.

Men still account for four of every five arrests, but Mr. Beck said there has been increasing involvement of women in crime. For instance, he said, between 1986 and 1995 there was a 12 percent increase in the number of men arrested but a 38 percent increase in the number of arrests of women.

Arrests for driving while intoxicated, Mr. Beck said, show a striking change. Women accounted for 5.5 percent of those charged in 1986, but 14 percent in 1995.

Overall, women accounted for 17 percent of all arrests in 1986 and 20 percent in 1995, the most recent year for which those numbers are available. In terms of offenses for which parolees are being supervised, Mr. Beck said, fraud, larceny, theft and drug offenses are more prevalent among women than men.

The study also showed that more probationers and parolees are being locked up for new offenses. In 1996, 18 percent of all probationers released from supervision were later incarcerated for a rule violation or a new crime, compared with 8 percent in 1985.

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Singapore Leaders Sue Foe Over 'Defamation'

Campaign 'Innuendo' Called a Danger

The Associated Press

SINGAPORE — A defamation case opened Monday in which Singapore's prime minister and 10 other government leaders are suing an opposition member for a factual comment he made at a campaign rally.

Monitors from Amnesty International and the International Commission of Jurists were in the packed, wood-paneled courtroom in the High Court to hear the case against the Workers' Party leader, J. B. Jeyaretnam, 71, one of three opposition members in Parliament.

Mr. Jeyaretnam said at a Jan. 1 campaign rally that his party colleague had filed police reports against Prime Minister Goh Chok Tong "and his people."

The police reports had been filed, and the factual basis of Mr. Jeyaretnam's comments would usually get such a case thrown out of court under laws in some other countries.

Under Singapore law, based on the British system, Mr. Jeyaretnam is being sued over the "innuendo" of his statement, or the likely effect on the crowd that heard it.

Members of the People's Action Party, which has won every election since 1959, frequently targets critics and opposition candidates with defamation lawsuits and tax-evasion charges. The courts usually rule in favor of government members and award millions of dollars in damages in those cases.

Prime Minister Goh, Senior Minister Lew Kuan Yew and nine others have filed the string of defamation lawsuits that could ban Mr. Jeyaretnam from Parliament if Judge S. Rajendran rules against him.

Mr. Goh is to be the first witness after the plaintiffs show a video of Mr. Jeyaretnam at the rally on the eve of voting. The trial is expected to last more than 12 days.

The governing party won 81 of 83 seats in the Jan. 2 elections, and Mr. Jeyaretnam was given a "nominated" seat afterward under a law that requires at least three opposition members to sit in the Parliament.

Defending the barrage of lawsuits, the governing party's leaders say they cannot ignore attacks on their moral character and reputation for honesty.

"No one is ever going to think more of someone if they are told he's been reported to the police," said a British attorney, Tom Shields, representing the prime minister.

Mr. Jeyaretnam's full statement, which is the basis of the lawsuits, was:

"Mr. Tang Liang Hong has just placed before me two reports he had made to police against, you know, Mr. Goh Chok Tong and his people."

A few hours before the rally, Mr. Tang, a candidate, filed the police reports in which he accused the prime minister and other government leaders of criminal defamation and conspiracy.

They had issued a series of speeches and comments in the pro-government press and on government-controlled television, accusing him of being "anti-Christian," "a Chinese chauvinist" and "a dangerous man."

When Mr. Tang said in an interview in the pro-government Straits Times that they were lying about him, he was slapped with 13 lawsuits, including some that sued him for what he said in the police report.

He has since fled Singapore, where he faces arrest on a tax-evasion charge, loss of property and an 8 million Singapore dollar ($5.7 million) libel judgment.

Mr. Shields said that by telling the crowd that his party colleague had filed two police reports, Mr. Jeyaretnam became responsible for their content.

Mr. Shields also said that Mr. Jeyaretnam was responsible for further publication of the defamatory news on the police reports when the Straits Times, and the government-licensed Business Times reported his remarks the next day.

George Carman, another British lawyer, spoke for Mr. Jeyaretnam. He said that 95 percent of the evidence the plaintiffs would present should be judged inadmissible because it dealt with statements made by Mr. Tang or by the government leaders about Mr. Tang.

Jonathan Drake/The Associated Press

J. B. Jeyaretnam, right, target of defamation suit, leaving the Singapore High Court on Monday with his British attorney, George Carman.

Malaria Under Attack

Scientists Map Global Battle at Talks in India

Reuters

HYDERABAD, India — Hundreds of scientists gathered Monday in India in hopes of reinvigorating a global effort to control a resurgence of malaria.

A century after the discovery that mosquitoes spread malaria, organizers of a five-day conference on parasitic illnesses said that the disease had made a comeback and now contributed to 3 million deaths a year.

"One hundred years ago there was hope this disease could soon be eliminated," the World Health Organization's Southeast Asian regional director, Uton Rafei, told the conference. "However, malaria is still with us as an enormous global health problem."

The conference, with about 700 delegates, was timed to coincide with the discovery in August 1897 by Ronald Ross that mosquitoes transmit malaria.

Mr. Ross, who had suffered from malaria and was struck by cholera just before his discovery, made his breakthrough in the southern Indian city of Hyderabad, the site of the conference.

One aim of the gathering was to raise global awareness of the magnitude of the problem and the paucity of resources devoted to combating malaria, compared with money spent on some diseases that are more prevalent in rich countries.

Malaria kills more people each year than have died from AIDS in the last 15, according to the Malaria Foundation, which is based in New York.

About 40 percent of the world's population, or about 2.5 billion people, are said to be at risk in more than 90 countries.

Most of the victims are children. More than 1 million die of the disease each year.

Malaria, which was thought to be under control in much of the world only two decades ago, has become resistant to many drugs and insecticides.

"We were complacent after our initial successes," V. Ramalingaswami of the All India Institute of Medical Sciences said.

Outbreaks have quadrupled in the last five years, with cases recorded in the United States and Europe for the first time in decades.

Africa bears the brunt of the problem, with about 90 percent of all deaths by malaria.

In India, malaria was almost wiped out but has staged a comeback.

Between 1950 and 1970, the country's eradication program reduced annual infections from 75 million to 100,000, and deaths from 800,000 to virtually none.

But over the last two decades the trend has reversed, with four epidemics since 1994.

Typhoon Causes Chaos on Taiwan; Death Toll at 24

Compiled by Our Staff From Dispatches

TAIPEI — The first tropical storm to hit Taiwan this year caused landslides, destroyed buildings and flooded streets, killing at least 24 people.

The typhoon, packing winds of up to 92 miles an hour, was moving toward the Chinese coast at 15 mph, the central weather bureau said.

More than 28 inches of rain fell in northern Taiwan over 13 hours Monday, causing severe flooding round the capital, the bureau said.

Flights to Japan and domestic air traffic in and out of Taipei were canceled, and airplanes moved south for safety.

Twelve people were crushed to death when land beneath apartment buildings gave way and slid down the side of a mountain in the nearby suburb of Hsichi.

Another 12 people remain trapped in the Hsichi collapse, in which dozens were injured, and the death toll was expected to rise, rescuers said.

In Ilan county, 28 miles east of Taipei, a man fell to his death after being blown from an apartment building that he was apparently trying to break into, the police said. A fisherman drowned after being swept off a breakwater by high waves.

Offices and schools were closed in the capital and other areas of northern Taiwan.

Flooding in suburban Taipei reached the second floor of some homes, and furniture, bicycles and refrigerators floated down streets. *(Reuters, AP)*

SUMMIT: *China Moving Slowly on Proposals by U.S.*

Continued from Page 1

say. They add that Mr. Jiang is eager to have a useful and substantive but noncontroversial state visit to the United States to help seal his supremacy at home after the death of Deng Xiaoping.

"We're throwing ideas at them and suggesting how to bridge the gaps toward some real agreements," a senior official said. "They've got some things to think over."

China's continued pattern of jailing political dissidents and leaders of religious groups not sanctioned by the government has drawn considerable anger among both human rights groups and members of Congress. And the FBI is investigating allegations that the Chinese funneled money into the 1996 election campaign.

"Berger made crystal clear the difficulty Jiang will face in the U.S. in terms of public, media and congressional reaction, especially about human rights and religion," said another senior official. "He pitched it in terms of things they should be thinking about now to make the summit better, arguing that they should think of the summit as starting now and ending Oct. 30."

The Chinese leaders engaged "in great detail" in "a clear, candid discussion, with questions," another official said. "I think Jiang gets it."

The Chinese complained to Mr. Berger about pervasive anti-China sentiments in Congress, the officials said, and again denied that the Chinese government illegally funneled money into the 1996 U.S. election. They also urged Mr. Berger to stem support in Washington for a more independent Taiwan, including offering it a United Nations seat.

Mr. Clinton is hoping that he will get sufficient grounds for certifying that China is now careful enough about nuclear exports that a 1985 nuclear cooperation agreement can finally go into effect. The pact would allow such U.S. companies as Westinghouse and General Electric to sell commercial nuclear equipment to China, including reactors.

U.S. officials say much progress has been made on the nuclear issue, especially during Secretary of State Madeleine Albright's fourth meeting this year with the Chinese foreign minister, Qian Qichen. The meeting was held last month in Malaysia.

But snags remain. The United States first wants to ensure that China will not share any nuclear equipment, technology or training with Pakistan or Iran. A combination of U.S. pressure and a poor Iranian payment history led China recently to suspend a sale of two nuclear reactors, and it appears to have canceled the sale of a uranium-conversion facility that particularly worried Washington.

China has kept to its 1996 deal with the United States not to assist any unsafeguarded nuclear program, meaning Pakistan. But China has not yet put into place effective export controls for nuclear materials, components and especially dual-use materials — which could be used either for peaceful purposes or a weapons program.

In August, the Chinese State Council approved a national export control program in principle, the officials say, but the Americans are pressing China hard to put the program into effect and to develop a similar set of controls on dual-use items.

Finally, the Americans want China to take part in a nuclear nonproliferation committee of equipment suppliers, known as the Zanger committee, that prepares lists of equipment that should not be exported. Mr. Qian told Mrs. Albright last month that China would join and attend its first such meeting in October, the officials said.

In the past, the United States has imposed sanctions on China for nuclear and missile sales to Pakistan and Iran. On May 21, after many warnings, it imposed sanctions on some Chinese chemical companies for knowingly selling Iran materials that can be used to make chemical weapons.

The United States is also concerned about sales to Iran of Chinese anti-ship cruise missiles.

BRIEFLY

Hun Sen Traps Foes in Village

P'ONG, Cambodia — The relentless advance of Hun Sen's troops stalled Monday when their royalist opponents held the mine-ringed high ground protecting the last opposition stronghold.

Troops loyal to Prince Norodom Ranariddh, the deposed joint prime minister, aided by Khmer Rouge guerrillas, have so far prevented Hun Sen's fighters from taking the village of O'Smach, where about 20,000 pro-Ranariddh soldiers and civilians are trapped.

The village lies against the barbed-wire border with Thailand, and Thai officials said they would let the refugees in only if their lives are in immediate danger.

Hun Sen drove Prince Ranariddh's forces into northern Cambodia after staging a bloody coup in the capital on July 5 and 6. With nowhere left to run, the resistance is making its first determined stand at O'Smach, aided by a virtually impregnable mountain, which they hold. *(AP)*

North Korea's Nuclear Energy

SEOUL — A South Korean ship carrying 81 Western diplomats, journalists and South Korean contractors left for North Korea on Monday to begin the "historic" construction of nuclear plants there.

Aboard the vessel Hanara were senior representatives of the United States, South Korea and Japan as well as other members of the Korean Peninsula Energy Development Organization, known as KEDO.

KEDO was formed in 1995 by Seoul, Washington and Tokyo after a landmark United States-North Korean agreement. It calls for the construction of light-water reactors in return for Pyongyang's promise to halt its suspected atomic weapons program. *(Reuters)*

Workers Protest Labor Law

JAKARTA, Indonesia — Banner-waving workers numbering about 500 protested outside Parliament against a new labor bill that they said would violate their rights.

Human rights activists also criticized provisions of the new Manpower Bill, which was submitted to the 500-member Parliament earlier this year. And debate restarted in the House of Representatives on Monday.

The government said the bill was a necessary reform designed to bring together 14 existing labor regulations, some of which date back to pre-World War II Dutch colonial rule. *(AP)*

A Stubborn Soldier Is Jailed

HANOI — A former South Vietnamese soldier who continued to fight the Communists long after the fall of Saigon was sentenced to 10 years in prison by a court in the southern resort town of Vung Tau. Nguyen Long Si was convicted of "committing activities aimed at overthrowing the People's government," the official Vietnam News Agency reported. *(AP)*

Manila Chief Assails Ship Owners

Compiled by Our Staff From Dispatches

MANILA — President Fidel Ramos of the Philippines called Monday for punishment of negligent ship owners after three domestic passenger boats sank in one day last week, with a loss of at least 22 lives.

"The tragic but avoidable disasters of a few days ago occurring within a span of 24 hours underlines the need to stop, prevent and punish the neglect and the greed that lead to the unnecessary loss of lives, property and good will," Mr. Ramos said.

He said one of the incidents, in which seven Hong Kong Chinese tourists drowned Friday after their sightseeing boat capsized in choppy waters in Manila Bay, occurred near the navy headquarters.

The police reported Monday the arrest of the owner of the sightseeing boat and two crewmen on charges of reckless imprudence resulting in homicide. *(Reuters, AP)*

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EUROPE

Young Pilgrims Begin Flowing Into Paris for Festival With the Pope

By Craig R. Whitney
New York Times Service

PARIS — Pawel Malotta and Kukosz Kapusnik, both 16 and both from Ruda Slaska, Poland, arrived at the Church of the Madeleine in Paris on Monday to sign up for the 12th World Youth Days — two among tens of thousands streaming in from all over the world to meditate on the Christian message at the invitation of Pope John Paul II.

"They arrived last week and stayed with me until today," said the boys' French hostess, Evelyne Chrostowski, who brought them in from distant Moret-sur-Loing because she thought it would be too far for them to commute. The gathering starts officially Tuesday with an open-air Mass to be celebrated by Jean-Marie Cardinal Lustiger, the Archbishop of Paris, who said Monday night that he was encouraged by the last-minute registration rush.

The Pope does not arrive here until Thursday morning, and whether as many young people as he expected would show up clearly had the organizers worried right up to this week.

"It will probably be around 350,000," said Philippe Morillon, the retired French general whom President Jacques Chirac and Prime Minister Lionel Jospin put in charge of coordinating actions by French official agencies to handle the crowds "But there could be 500,000 to 600,000 on Sunday morning," added General Morillon, who commanded United Nations peacekeepers during part of the war in Bosnia.

That is when the Pope will celebrate a Mass at the Longchamp race track, once the site of an abbey.

Church organizers appear to be hedging their bets, distributing sign-up sheets all over the city that said there would be "more than 300,000 young people from 130 countries."

The largest single delegation from abroad is expected from Italy, with 50,000, followed by Poland with 30,000.

About 13,500 are expected from the United States and smaller delegations from more than 100 other countries.

Participants pay 95 francs ($16) a day for meals, programs and transportation.

Trying to organize anything in Paris in August, let alone a gigantic logistical operation to house, feed and transport hundreds of thousands of young people more apt to listen to their hormones than to homilies is a challenge, what with most Parisians having abandoned the city to foreign tourists for their annual summer vacation.

"We started the planning a year ago," said General Morillon.

He added that the $42 million budget for the event, all financed by the organizers from admission fees and contributions, would even reimburse the state railways and the Paris subway for the costs of extra trains and buses needed to move the visitors around.

But in a country still reverberating from the shock of its 1789 revolution and one committed since 1905 to strict separation of church and state, some people wondered why taxpayers should have to pay for the 6,000 to 7,000 police officers needed for crowd control.

The Pope's plan to pray privately over the grave of a friend who was a militant in the anti-abortion movement in France, where termination of pregnancy was legalized 22 years ago, has also aroused criticism.

French Socialist Assails Pact Made by EU in Amsterdam

Lang Says Federation Is Needed to Revitalize Europe

Reuters

PARIS — An influential Socialist member of the French National Assembly has vowed to oppose the Amsterdam treaty, saying it would open the way to the decline of the European Union.

In an article published Monday in the daily Le Monde, Jack Lang, chairman of the National Assembly's foreign affairs committee, called the accord signed at last June's EU summit in Amsterdam "a rump treaty" papering over cracks. He demanded that the EU be turned into a federation to regain its momentum.

"I will not ratify the Amsterdam treaty as it is now being presented," he wrote. "And deputies in several national parliaments are prepared to do the same. The path chosen in Amsterdam is not the right one, neither in its vision nor its method. By patching up and adding a coat of glossy paint, we have merely plugged the leaks of a ship without a skipper, a course or an engine."

The Amsterdam summit meeting produced a watered-down accord paving the way to EU expansion into Eastern Europe and enabling the group to push ahead with plans for a single currency from 1999.

The accord papered over French and German differences on jobs and budget austerity, approving a plan demanded by France's new Socialist government to bolster jobs and growth, as well as a stability pact championed by Germany to limit budget deficits.

Mr. Lang, a former culture minister, said the treaty showed Europe's apathy in the face of "a vigorous, creative and conquering" United States.

He called on the 15 EU member states not to take in new members unless the group's institutions were overhauled.

"We expect from the new French government a strong and original initiative that can weigh on the destiny of our nations," he said. "Only one prospect could return strength and hope: creating a European federation."

Mr. Lang said the European Commission, Parliament, central bank and Court of Justice were already virtually federal institutions. "Only one institution is missing: a federal government," he said.

He proposed that the EU appoint a political figure to tour member countries and discuss proposals for new institutions that would later be put, not to an intergovernmental conference but to a constituent assembly. That constituent assembly would share out economic, political, educational and cultural powers between the proposed federal government, states and regions, he said.

"Rejuvenating the institutions should go together with a new deal in Europe's economic and intellectual policies," he said.

Italy to Expel Refugees

Reuters

BARI, Italy — Albanian refugees living in shelters in southern Italy vowed Monday not to return home despite an Aug. 31 deadline for their repatriation.

Prime Minister Romano Prodi said Sunday that authorities would enforce a deadline requiring some 10,000 Albanian refugees who poured into Italy earlier this year to leave by the end of the month. They had been given three-month visas and offered accommodation in shelters.

BRIEFLY

Blair-Jospin Meeting Is Set

SAINT MARTIN D'OYDES, France — Prime Minister Tony Blair of Britain said Monday that he would meet his French Socialist counterpart, Lionel Jospin, during a weeklong holiday stay in southwestern France.

"I know he lives nearby. We will see one another," Mr. Blair, flanked by his wife and children, told reporters during a stroll through the village of Saint Martin d'Oydes.

He said he and Mr. Jospin would probably discuss current events, European matters and ties between Paris and London.

Mr. Blair did not say when the meeting would take place, but officials in London said earlier Monday that it would be Friday at a private lunch at the Blairs'.

The British leader, his wife, Cherie, and their three children arrived in France from Italy on Saturday after a stay in Tuscany. Mr. Blair met Prime Minister Romano Prodi of Italy in Bologna on Aug. 2.

They were expected to remain in the village for about a week, staying at the home of David Keene, a London lawyer. Saint Martin d'Oydes is 30 kilometers (20 miles) from Mr. Jospin's constituency of Cintegabelle, south of Toulouse. *(Reuters)*

Fabrizio Bensch/Reuters

IN FOCUS — Egon Krenz, the last hard-line Communist leader of East Germany, looking at photographers Monday before making a final statement in his trial, with two other Politburo members, for the deaths of would-be fugitives at the Berlin Wall. The verdict is expected Aug. 25.

Aide Slain in St. Petersburg

ST. PETERSBURG — A senior official responsible for selling off state property was killed by a sniper Monday in what appeared to be yet another killing linked to organized crime, the police said.

Mikhail Manevich was killed and his wife was wounded on their way to work when a sniper fired eight bullets into their car. The driver was not hurt.

Local police, who declined to be named, said a sniper firing from a nearby building escaped after the attack.

Mr. Manevich was vice governor of the Leningrad region, which adjoins St. Petersburg, and head of the local state property committee, charged with selling off state assets.

Dozens of businessmen and government officials have been killed in recent years, many of them in apparent disputes over state property. The government is selling off property to introduce a market economy, and there have been repeated claims that lucrative assets are sold for less than their true value.

The killings are blamed on organized crime and are rarely solved. *(AP)*

Papon Sues Paris Newspaper

PARIS — Maurice Papon, facing trial for crimes against humanity during World War II, demanded damages Monday from a Paris newspaper for calling him a "zealous servant of the Nazis."

The lawyer for the former Vichy official, who goes on trial Oct. 6 in Bordeaux, demanded 1 million francs ($160,000) in damages and interest for the editorial, which ran Aug. 8.

"What is an attack on presumption of innocence? It's to present someone as guilty before the verdict," said the lawyer, Jean-Marc Varaut, in court. Mr. Varaut said the editorial, which also called Papon an "ex-collaborator," was tantamount to "a call for a judicial lynching."

The lawyer for France Soir, Marc Louvet, argued that Mr. Papon was presenting himself as "a scapegoat and a suffering victim," and that the editorial merely described the charges against him. A verdict is expected Aug. 25. *(AP)*

Early Start on Parenthood

LONDON — An 11-year-old boy is about to become Britain's youngest known father after making his 15-year-old girlfriend pregnant, British newspapers reported Monday.

Sean Stewart lives next door to Emma Webster in the village of Sharnbrook, in southeast England, and neither family disputes that he is the father of the baby she is expecting in January.

The girl told the Daily Mail newspaper she planned to have the baby and hoped to return to school while her parents looked after the child. She said she hoped the boy, whom she first thought was 15, would be involved in its upbringing. *(Reuters)*

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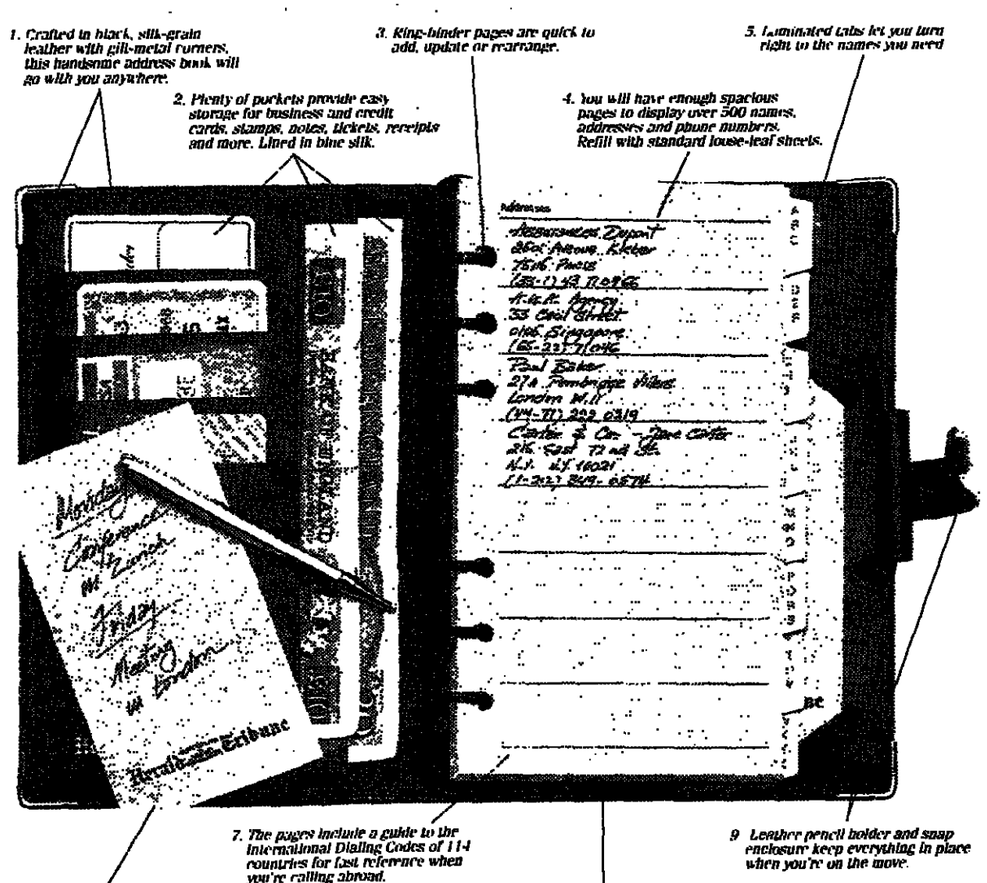

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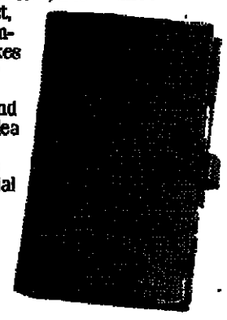

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THE WORLD'S DAILY NEWSPAPER

Israelis Give Arafat Some of Frozen Funds After Bomb Clue Help

By William Drozdiak
Washington Post Service

JERUSALEM — Israel announced on Monday a partial release of Palestinian funds owed to Yasser Arafat's self-governing authority.

The money was frozen in the wake of the suicide bombing last month at a Jerusalem market in which two terrorists blew themselves up and killed 14 others.

The decision to transfer nearly $8 million came after Palestinian intelligence agents turned over to their Israeli counterparts samples of explosives discovered last month in a West Bank bomb factory.

The CIA station chief in Israel also attended the tripartite meeting Sunday night that was viewed as a key test of whether trust can be restored in the fight against terrorism.

The Israeli government of Prime Minister Benjamin Netanyahu welcomed the show of cooperation but insisted that the Palestinian Authority must demonstrate further resolve by rounding up terror suspects and dismantling their infrastructure before it will hand over the rest of the money.

Israel says it has withheld about $34 million but the Palestinians insist that they are owed $62 million in back tax revenues and customs duties.

Palestinian officials demand immediate repayment of all impounded funds and say they will proceed with a boycott of Israeli goods unless they gain satisfaction.

About $9 million worth of Israeli exports arrive daily in Palestinian self-rule areas in Gaza and the West Bank, and a prolonged boycott could damage the Israeli economy.

"We don't accept these compromises," said Maher Masri, the Palestinian minister of finance. "We need to be paid in full and we need to be paid on time."

He said that in absence of full payment, the Palestinian Authority would halt the delivery of fruit and some electronic goods from Israel as of Monday.

Besides blocking the transfer of funds owed to Mr. Arafat's authority, Israel has prevented up to 125,000 Palestinian workers in Gaza and the West Bank from reaching their jobs in Israel for nearly three weeks.

The loss of wages has proved the worst hardship for most Palestinians since the closure was invoked as a security measure after the July 30 bombing.

Israeli officials said they were aware of the economic burdens that were being imposed on the Palestinians, but they emphasized that the problem could be quickly solved once Mr. Arafat decided to crack down on terror suspects and their underground military cells.

Mr. Netanyahu's aides praised Mr. Arafat's action in the case of three Palestinian car thieves who were charged, found guilty and sentenced to long prison terms within hours of their arrest for the murder of an Israeli taxi driver in Jericho.

The aides insisted, however, that the essential test on security cooperation has still not been passed.

"The main thing has not been done: unconditional, systematic and incessant Palestinian Authority actions against the terrorist groups," said the cabinet secretary, Danny Naveh.

At the top of the list of targets in the crackdown are leaders of the military wing of the Islamic resistance movement known as Hamas. The fundamentalist group, which is said to number no more than 100 active fighters, has claimed responsibility for several terrorist bombings in Israel and is widely suspected of masterminding the latest attack at a Jerusalem market.

Israeli security sources said the names of prime terror suspects were passed to the Palestinians after the bombing.

They include Mohammed Deif, the chief of military operations for the Izzedin al Qassem Brigades, as the Hamas military wing is called, and his deputy, Muhi Adin Sharif.

Mr. Deif was anointed the successor to Mohammed Yayha Ayyash, nicknamed "The Engineer" for his alleged bombmaking prowess. Mr. Ayyash was killed 18 months ago by a booby-trapped cellular telephone in an assassination plot widely believed to have been conceived and executed by Israeli agents.

But Mr. Arafat has balked at dispatching his police forces against Hamas leaders in the way he did earlier.

The Associated Press

Beating traditional African drums of peace instead of war, an Israeli musician, Lior Shai, in white T-shirt, gathered a group of Palestinian youths on Monday in the old open market of the tense city of Hebron in the West Bank to try a new approach to understanding. An Israeli soldier in the square joined in on a drum.

Yeltsin Upbeat On Chechnya After Meeting Rebel Leader

The Associated Press

MOSCOW — President Boris Yeltsin said Monday that Russia's problems with the breakaway republic of Chechnya could be worked out peacefully, and he announced that a commission would be set up to work out differences.

Speaking at the end of talks here with the Chechen president, Aslan Maskhadov, Mr. Yeltsin said Russia wanted to retain some authority in the region, including joint control over borders and airspace.

"We should continue further steps in respect to the freedom of the Chechen Republic," Mr. Yeltsin remarked to reporters.

Mr. Maskhadov appeared reserved after the talks but said a negotiated settlement could be worked out.

"We'll prove to our people that we can settle the problem by diplomatic means," the rebel leader said.

In a step reflecting Mr. Maskhadov's efforts to curb runaway crime in Chechnya, a Russian television journalist and two of her crew were freed by Chechen abductors and they left Grozny for Moscow, it was reported here.

The journalist, Yelena Masyuk, and her colleagues spent more than three months until Chechen authorities freed them Sunday night and arrested three of their captors.

The chief Russian negotiator with Chechnya, Ivan Rybkin, made it clear that Moscow would not formally recognize the region's independence despite its readiness to grant a strong degree of autonomy to the Caucasian region.

"We are pressing today for the Chechen Republic of Ichkeria to be recognized as an independent sovereign state," Mr. Maskhadov said at a news conference. "In what form, time will tell."

"During this lengthy discussion between two presidents, both came to the common opinion that we must take this step," he added, saying it was vital for stability not only in Chechnya but also in Russia.

He voiced confidence that ordinary Russians would support the move.

"Today, I saw in the president of the Russian Federation a man, perhaps the only man, who can decide matters," the Chechen leader said.

Then, alluding to Russian military advances and conquests over the centuries, he added, "And make peace after 400 years of war."

"Decisiveness is demanded," he said. "One must take responsibility. I think Boris Nikolayevich possesses such characteristics."

Mr. Maskhadov said he hoped a joint Chechen-Russian commission could begin work as early as next week on preparing a final political settlement, an outline of which the Chechens presented to Mr. Yeltsin on Monday.

He said he believed Mr. Yeltsin understood the Chechens' need for independence after their long struggle.

Russian news agencies earlier quoted Mr. Yeltsin as saying he was ready to negotiate a long-term political deal with Chechnya, but he made it clear that he still viewed the rebel region as an integral part of Russia.

Mr. Rybkin, the negotiator who is also secretary of Mr. Yeltsin's policy-making Security Council, later hinted that Moscow was ready to consider even extravagant options for Chechnya as long as they did not look like an outright secession.

ATTACK: *Pro-Israeli Militia in Lebanon Shells Sidon to Avenge Killing of Children*

Continued from Page 1

generally tried to steer clear of the fighting but were reported Monday to have retaliated with mortar and artillery fire.

About 30,000 Syrian soldiers are stationed in Lebanon, where Damascus remains the chief power broker. If matters reached the point Monday at which Lebanese forces lobbed artillery shells at pro-Israeli militiamen, as was reported by several wire services and Israel radio and television, that could raise the danger that Syrian forces themselves might become enmeshed in the fighting.

According to Israeli officials, the three civilians killed Monday morning when a bomb exploded as their vehicle passed near the village of Hue, outside Jezzine, were two children of a former militia commander, Assad Nasser. Major Nasser was killed in a similar roadside bombing four years ago, and Israeli officials said they believed that his children's death had ignited a powerful emotional response by the pro-Israeli militiamen, who rarely before have been involved in attacks against Lebanese civilians.

"It was as if the string snapped," said Uri Lubrany, the coordinator of all Israeli activities inside the occupation zone.

Like the earlier attacks, Monday's roadside bombing was attributed by Israeli officials to Hezbollah, whose popular support runs so deeply in Sidon that roadside signs and statues honor the slain guerrillas it hails as martyrs.

Israeli commanders were urging all sides to refrain from further attacks on civilians. But they put the primary blame on Hezbollah, and describing the bombardment of Sidon, a city of about 200,000, as an understandable reaction to the roadside bombing.

"Obviously Lahd must have felt an obligation to protect his civilians, and I can understand what he did," said Major General Amiram Levine, who heads Israel's Northern Command. "But at the same time, we object to any and all shootings of civilians."

Brigadier General Oded Ben Ami, the chief Israeli Army spokesman, referred Monday night to the roadside bombing as "an act of terror" but said of the shelling of Sidon: "I don't want to get involved in a Lebanese affair."

Israel television reported that the Israeli government had issued a complaint to the five-nation team responsible for monitoring the April 1996 understandings in which all sides agreed to stop targeting civilians. That complaint accused Hezbollah of violating the agreement, and made no mention of General Lahd's militia, the report said.

MIR: *Computer Failure*

Continued from Page 1

docking had been delayed from Sunday because of an earlier glitch. The docking is a routine but ticklish procedure, and went seriously awry in June when the freighter rammed Spektr, a research module on Mir.

There are two systems used for docking. The most common in recent years has been an automatic system, originally developed in the Soviet era, in which Mir and the freighter come together using radios to communicate with each other and without much help from the crew. But the Russians have also been trying to master the technique of manually docking the two craft, using television cameras on both, in which the Mir commander manipulates them with joysticks. It was in the middle of such a manual docking that an overloaded Progress freighter hit Mir in June.

According to Russian officials, the Progress was about 250 meters (800 feet) away from Mir when the computer failure occurred. The newly arrived Mir commander, Anatoli Solovyov, took over manually and successfully brought in the cargo ship.

Assuming the computers are turned back on, the commander is to lead a dangerous internal spacewalk into the Spektr to reconnect wires that were severed when the crew abandoned the module. The wires would help boost Mir's power supply.

■ NASA Keeps Options Open

NASA officials said Monday that they were keeping a close eye on the crippled Mir and keeping their options open, Agence France-Presse reported from Washington.

Thus far, the National Aeronautics and Space Administration was going ahead with plans to send David Wolfe up to replace Michael Foale on board Mir in September, said a NASA spokesman, James Hartfield, in a telephone interview from Houston, Texas. Mr. Hartfield said that a final decision would be made the week preceding the rendezvous of the shuttle Atlantis with Mir around Sept. 25.

Alexander Nemenov/Agence France-Presse

Staff members at Space Mission Control Center, near Moscow, studying a model of the Mir station Monday.

ARMS: *Despite End of the Cold War, U.S. Scientists Press On With Their Research to Improve Nuclear Weapons*

Continued from Page 1

make the document public Tuesday, along with an analytical report, "End Run," that accuses the government of bad faith in its weapons work.

In interviews, officials of the Energy Department denied that the agency was making new weapons and insisted that it was only modernizing old designs, despite the language of the document.

The goals of the work, they said, included increasing the warheads' life, safety and security, and allowing new kinds of weapon emplacements — but no increases in explosive power.

But the council disagrees and says the work in some cases is meant to increase the power and precision of the weapons and to strengthen them for purposes like penetrating deep into the earth to knock out enemy bunkers.

The dispute centers on the nation's adherence to the intent of the Comprehensive Test Ban Treaty, for decades sought by arms controllers. Its goal is to halt the development of new weapons of mass destruction by imposing a global ban on nuclear detonations.

President Bill Clinton signed the accord in 1996 and the United Nations endorsed it. The treaty has been signed by 146 nations, including Russia, China and the other declared nuclear powers. But the U.S. Senate has yet to ratify it.

In seeking support for the treaty last year, officials of the Clinton administration stressed that the ban would rule out all new weapons and, in effect, be a technological barrier that would end the nuclear arms race.

Yet the secret plan says that even with no explosive tests, an army of high-technology machines and personnel is working to upgrade and replace a wide range of thermonuclear arms.

The work is focused on the B-61, a bomb for planes; the W-87, a warhead for MX missiles, and the W-76 and W-88, which are warheads for submarine-launched Trident missiles.

"The Clinton administration has failed to exercise adequate policy and fiscal oversight" over the nation's bomb-making complex, argues the report by the Natural Resources Defense Council, criticizing the $4 billion budget for the weapons work as too generous.

"It's the wheels of the Cold War grinding on," Christopher Paine, a senior researcher at the council and co-author of the report, said in an interview. "The military is working with the old assumptions and moving forward with the same kinds of programs there had been with nuclear testing."

"You can't fault the military so much as the political leadership," he added, "for not coming up with a new paradigm for the role of nuclear weapons in international security."

Mr. Paine wrote the report with Matthew McKinzie, a nuclear physicist at the council who did graduate research at the Los Alamos National Laboratory in New Mexico, the birthplace of the atomic bomb.

Victor Reis, the architect of the nation's bomb maintenance program and assistant secretary for defense programs at the Energy Department, said in an interview that the council was wrong. The department is designing no new weapons, he said, contrary to the council's claims and the language of the formerly secret document.

The programs for the B-61, W-76, W-87 and W-88 are meant to improve or modify existing warheads, with no major redesigns that would raise the power of their thermonuclear blasts, he said.

Mr. Reis added that the work outlined in the plan was wholly consistent with the goals of the test-ban treaty and had been widely vetted by administration officials and Congress, contrary to the council's criticism.

In defending the work, Mr. Reis used an automotive analogy to suggest that its nature was modest: "When you take your car to the shop and put a new battery in and get a ring job, it's still the old car. At some stage of the game you may even rebuild the engine, but it's still the old car."

The growing controversy over the secret work has prompted some prominent experts to call for new national policies.

Hans Bethe, a Nobel laureate in physics who oversaw the birth of the atomic bomb during World War II, recently wrote to President Bill Clinton asking for a pledge of no new weapons.

"The time has come for our nation to declare that it is not working, in any way, to develop further weapons of mass destruction," he wrote.

The White House has made no such declaration to stop the development of nuclear arms, even though it supports a treaty that it says would ultimately achieve that end.

GERMANY: *Artist's Crusade Against Crucifixes in School*

Continued from Page 1

in which they would be horrified by what he called the "image of a bleeding, half-naked male corpse" that depicted Jesus Christ dying on the cross.

Far from settling the issue, the decision provoked an unprecedented wave of public protest across Bavaria, Germany's second most populous state with 11 million citizens and a strong Roman Catholic heritage. Premier Edmund Stoiber of Bavaria accused the court of issuing "an edict of intolerance that wounded the very soul of Bavaria."

The Christian Social Union, which dominates Bavarian politics, organized a protest of 30,000 people to demonstrate the depth of disenchantment with the supreme court.

Mr. Stoiber's government then began to work around the court ruling. It amended the law to allow for the removal of a crucifix from a classroom or public building if somebody who objects gives sufficiently valid reasons for taking it down.

Enter Josef Obermeier. He escorted his 6-year-old daughter, Yasmine, to class on her first day at the local public school and said he did not want his child to study in the shadow of the crucifix and asked that it be removed.

That was when his troubles started.

"I gave what I thought were sensible reasons," Mr. Obermeier said, adding that a religious symbol had no place in a classroom, "especially if it represents a church that is anti-democratic in nature and practices sex discrimination by refusing equal rights to women, such as the chance to become priests."

Mr. Obermeier told the schoolmaster that the church had no place in school; the Catholic hierarchy seemed to be against science; it once treated Galileo as a heretic and refused to recognize that the Earth is round instead of flat.

Mr. Obermeier's rationale was rejected as "too polemical and not sufficiently personal."

Local courts backed the school's decision, so Mr. Obermeier decided to march the case up the legal ladder. The Bavarian state court is expected to make a decision soon, and Mr. Obermeier said that his lawyers were already preparing an appeal to the nation's supreme court in Karlsruhe.

"How can any school or court decide that reasons must be personal and not political?" Mr. Obermeier asked.

"It's like saying it is only acceptable to object to Hitler because of his ugly mustache and not because of the way he persecuted Jews and other minorities."

The publicity that has been focused on the village embarrasses Johannes Mangels, Bruckmuehl's school director.

"We are talking about a special situation," Mr. Mangels said.

"This is not just a question of religion. It's about cultural traditions going back more than a thousand years, and the crucifix is one of our most cherished historical symbols.

"We respect basic human rights, but in a peaceful democracy the minority must consent to go along with the majority view."

However the high court rules, the intersection of religion, education and politics in Germany will remain an explosive social battleground for years to come.

CORPS: *Women Take Lead as Volunteers*

Continued from Page 1

women. Many of the major players in countries across the world — particularly at the community level — are women, Mr. Gearan said.

"Invariably," he said, "the local spark plug in the community is a woman. When you do so much for the women, you can improve the entire family." He quipped that volunteers were sent to assist "the African farmer and her husband."

So, Mr. Gearan said, it seems natural and necessary that the number of female volunteers increases as the number of programs involving women increases. "The cultural barriers are eased, and the volunteers can go about the mission of our work."

Christopher Doherty, who served in Liberia and the Dominican Republic and is now the regional recruitment coordinator, explained the connection. "Some assignments in the Peace Corps are going to ask for women only, the reason being that they're in a different culture working with women's groups which we cannot assign men to," especially health issues of women and infants, Mr. Doherty said.

Acknowledging this, the Peace Corps recently announced the Loret Miller Ruppe Fund for the Advancement of Women, which is being established in memory of the woman who directed the Peace Corps from 1981 to 1989. She died last year.

The fund will provide small grants to support the community-based projects that are designed to strengthen the role of women in the development of their countries.

Through these projects, the Peace Corps plans to focus on education, pointing out that in much of the developing world, access to education is limited — especially for girls. The volunteers work to educate the parents and community members on the importance of educating their daughters.

"I'm not a big feminist, but it feels so good to show the women that they have a voice," said Ms. Bogdan, who worked in a women-in-development program while in Romania.

INTERNATIONAL

For India and Pakistan, an Old Stripe on the Ground Still Divides

By John F. Burns
New York Times Service

WAGAH BORDER CROSSING, India — At dusk every evening, crowds of Indians and Pakistanis gather on either side of a painted line across a narrow road in Punjab, a region that was divided when British India was partitioned into the separate countries of India and Pakistan.

The line, about a foot thick, is called Zero Point, and it marks a frontier that stretches north and south from the Wagah Border Crossing for 1,250 miles (2,000 kilometers).

Because of the bitter legacy of Aug. 14, 1947, when 200 years of British rule ended with a bloodbath among Hindus, Sikhs and Muslims enraged by the partition, this is the only road crossing point between countries with a combined population of 1.1 billion. Sometimes, people try to cross on foot between the watchtowers visible across the wheat fields, and sometimes frontier guards shoot them dead. Zero Point is a place of perplexing ambiguities, and they tell something about how relations between India and Pakistan are changing as the two nations celebrate their 50th anniversaries.

The crosscurrents are most evident at dusk, when the two armies stage a flag-lowering ceremony that reflects the defiance and nostalgia, as well as the official rigidities and popular yearnings, of two peoples sundered from each other when independence half a century ago created Pakistan as a homeland for Indian Muslims unwilling to chance life in an India dominated by Hindus.

India and Pakistan have new prime ministers — Inder Kumar Gujral in New Delhi and Nawaz Sharif in Islamabad — and they have launched a new effort at detente. Both have used the anniversary to say they want peace, more relaxed borders, arms reductions and increased trade.

But in almost the same breath, the two leaders, in separate interviews in their capitals last week, set conditions that seem likely to thwart their efforts.

The main issue, now as it has been for 50 years, is the divided territory of Kashmir, the Himalayan region of snow-capped mountains and lakes just north of the border crossing. Two of the three wars between India and Pakistan were fought over Kashmir.

Mr. Gujral said that while he wanted the border between the countries to become "very soft, like Canada and the U.S.A.," there could be no territorial changes, because "we must respect that partition was final."

But Mr. Sharif was emphatic that progress hinged on concessions on Kashmir. "We would like to repose trust and confidence in each other," he said. "This is possible, but outstanding problems have to be resolved first."

Something of the conflicting attitudes is apparent at Zero Point.

First, soldiers from the two countries engage in a mirror-image minuet that involves members of the flag parties marching at high speed to the frontier strip, with a high-stepping, stamping gait, then pausing inches from each other, hands on hips, exchanging haughty stares.

As crickets chirp in the trees, the Indian flag of white, orange and green, with its spinning-wheel emblem, comes down inch by inch, precisely in tandem with Pakistan's dark green banner with its crescent moon and star.

But then, after buglers from the two sides sound the retreat, another mood takes over. As the steel gates on either side of Zero Point are closed, Indians and Pakistanis who have gathered to watch the ceremony rush forward to stare at each other across a space of about 15 feet (4.5 meters).

Since most Indians and Pakistanis who get visas are required to travel by rail or air, leaving Zero Point to be used mainly by foreigners and freight traffic, this is as close as the two peoples get.

Some wave, some take photographs, but most remain silent, as if mesmerized by being so close yet so far. For those with a sense of history, there is also the memory of the tragedies that unfolded along this stretch of road in 1947. Then, it was choked with bullock carts and migrant families on foot, struggling to escape the slaughter by frenzied mobs that eventually killed at least half a million people in Punjab and Bengal, the other region split at partition.

For a few moments after the flag-lowering, the Indian and Pakistani military commanders at Zero Point relax together between the gates, chatting, laughing and at one point even holding hands.

Then the soldiers move forward again, shouting in Hindi and Urdu, the predominant languages of India and Pakistan. "Move back!" they say. "Move back! This is a border!" The crowds melt back into the darkness settling over the two separate Punjabs, each now a province of its respective country.

If the bid for a new relationship founders, there will be a special irony for Mr. Gujral, 77, and Mr. Sharif, 47, who, though far apart in age, are in one respect each other's mirror image. Both come from among the millions of migrant families who lost their homes and properties in the vast and often violent exodus that accompanied the partition: Mr. Gujral's in what is now Pakistan, Mr. Sharif's in India.

Although the property issues have long since passed into history, each of the two leaders spoke of the special emotional stake that this gave him in the new talks.

Mr. Gujral recalled that anti-Hindu rioting in Karachi in February 1948 drove him out of Pakistan, where his family had lived for generations. But he also spoke of an affection for Muslims that he said had deepened as a result of his experiences at the time of partition.

These include the mood in Karachi on Jan. 30, 1948, the day a Hindu nationalist in New Delhi assassinated Mohandas K. Gandhi, a fellow Hindu. "There wasn't a Muslim in Karachi with a dry eye," Mr. Gujral said.

Mr. Sharif, who was born in Pakistan two years after partition, recalled that his family, originally Kashmiris, had settled in Amritsar, where they owned land as well as a home. These were lost when his father, an industrialist who had started engineering and steel businesses in Lahore in the 1930s, chose to move the family there in 1947, he said.

In the interviews, Mr. Gujral's relaxed demeanor contrasted with the stiff approach of Mr. Sharif, who hesitated while finding his words. This appeared to reflect something that many experts in India and Pakistan have said about the new dialogue: that India, with a population and an economy that dwarfs those of Pakistan and an increasingly outward-looking approach born of its adoption in recent years of free-market economics, is less anxious about Pakistan, while Pakistan, with a national consciousness rooted in its founders' rejection of India, is finding it harder to abandon old enmities.

Mr. Gujral spoke enthusiastically of his vision for a new relationship in which families divided at partition would be able to move freely back and forth to weddings, funerals and other occasions. That has often been impossible because of visa restrictions, but India has begun to relax them without waiting for Pakistan.

The Indian leader also said he saw virtually unlimited potential for trade, now $1 billion a year, a fraction of the two countries' commerce with the United States.

Mr. Sharif said he, too, would welcome these changes if the Kashmir issue could be settled, but his tone seemed defensive compared with Mr. Gujral's.

Kenya Death Toll Rises; 2 Policeman Found Slain

Germany and Italy Issue Warnings to Tourists

Compiled by Our Staff From Dispatches

MOMBASA, Kenya — The bodies of two policemen were found Monday in a hospital mortuary south of this Indian Ocean port, raising the death toll to at least 35 from violence that began Wednesday, hospital sources said Monday.

The sources said the bodies of two administration policemen were in the mortuary at Msambweni hospital in Kwale district, where the police conducted a hunt for attackers last week.

The sources did not say when the bodies were brought to the hospital, but a police chief, Francis Gichuki, told reporters that two administration policemen had been missing.

The police put the death toll since the attacks began on Wednesday at 31.

The sources said the body of an unidentified man was also in the hospital mortuary, a victim of violence in the last five days, but it was unclear if his death had already been counted by officials.

Witnesses said Monday that attackers slashed to death a Kenyan priest and a member of a vigilante group overnight in the poor district of Mishimoroni on the edge of Mombasa.

Mr. Gichuki confirmed that two people had been slashed with machetes overnight in Mombasa but dismissed the incidents as "pure thuggery."

The police said that Sunday night had been the quietest night since a raid on police posts Wednesday.

After news of the killings, the Kenyan shilling slid to a new official low against the U.S. dollar as foreign investors pulled out because of worries over the economy and politics.

The dollar rose 1.3 percent on Monday to 70.68 shillings from 69.75 shillings.

The shilling has fallen nearly 19 percent against the dollar since the International Monetary Fund canceled a key aid package on July 31 after citing corruption.

President Daniel arap Moi has blamed the violence on opposition leaders, saying they were fanning tribal hatred ahead of elections.

Some opposition leaders accuse Mr. Moi's ruling Kenya African National Union party of orchestrating the well-planned attacks that began with the killing of six police officers and eight civilians Wednesday in raids on two police posts south of Mombasa.

Corinne Dufka/Reuters

A Kenyan child sitting in the ruins of his dwelling, one of 50 burned during an attack on a squatter village.

Newspapers said the attacks in the coastal region ahead of the general election this year appeared to be similar to ethnic violence in the Rift Valley before and after elections in 1992. No date has yet been set for the polls at which Mr. Moi, at age 73 and after 19 years in power, is to seek a new five-year term.

Meanwhile, the German Foreign Ministry warned several thousand German tourists vacationing in Kenya to stay in their hotels and take precautions as a result of the violence.

But a ministry spokesman told reporters that this did not mean that the German government was advising Germans to leave Kenya.

The Italian Foreign Ministry also issued a warning to travelers to stay clear of Mombasa. It urged visitors to Nairobi to avoid the city center and areas close to the university, which it said had been "the stage for violent protests."

(Reuters, AP)

Nusrat Ali Khan, Sufi Singer, Dies at 48

New York Times Service

Nusrat Fateh Ali Khan, 48, the Pakistani singer whose thrilling voice carried Sufi devotional songs to the world, died Saturday in London.

Mr. Khan suffered from problems with his liver and his weight. He came to London last week for medical and business reasons. He was taken to the Cromwell Hospital from the airport and later suffered cardiac arrest there, The Associated Press reported.

Mr. Khan was the greatest singer of his generation in the genre of *qawwali*, which means wise or philosophical utterance. Qawwali songs are based on the devotional poetry of Sufism, a mystical branch of Islam, and often speak of being intoxicated by divine love.

Mr. Khan's voice had a raw, impassioned tone and an acrobatic agility. Whether he was repeating a refrain with ever-increasing intensity, streaking through elaborate zigzagging lines, letting loose a percussive fusillade or sustaining a climactic note, he made music that united virtuosity and fervor.

In Pakistan and across the Islamic world, Mr. Khan was a superstar whose fans danced, shouted, threw money and sometimes hurled one another into the air as he sang. He performed in the traditional style, backed by what is called a party, with harmonium, percussion, handclaps and a responsorial chorus.

But in the 1980s and '90s, he also became what Ravi Shankar had been in the '60s: a major South Asian traditional musician who also collaborated with secular musicians, Eastern and Western. He was heard on soundtracks of films made in India and Hollywood; he was remixed for dance clubs. In any context, his voice was unforgettable.

Duke Zeibert, 86, Restaurateur For Washington's Powerful

WASHINGTON (NYT) — Duke Zeibert, 86, a wise-cracking, back-slapping restaurateur who for almost half a century ran the Washington establishment's favorite power-lunch spot, died Friday. He had been suffering from heart disease and cancer.

From the day in 1950 that he opened for business just a few blocks from the White House, Mr. Zeibert's bonhomie and his shrewd flattery of the powerful and famous filled his dining room with presidents, senators, lawyers, lobbyists, quarterbacks, coaches, columnists, commentators and not a few capital cads.

Donald Fine, 75, Publisher

NEW YORK (AP) — Donald Fine, 75, who published suspenseful best-sellers and helped along the careers of authors such as Ken Follett and Elmore Leonard, died Thursday of cancer.

With a $5,000 loan from a Harvard University classmate, Mr. Fine founded Arbor House publishing company in 1969. Hearst Corp. paid $1.5 million for it in 1978. He parted company with Hearst in 1983 and founded Donald L. Fine Inc., which was purchased by Penguin two years ago.

Drummond Matthews, 66, a geophysicist at Cambridge University whose work provided a critical underpinning for the theory of plate tectonics, died on July 20 of a heart attack in Taunton, England.

Robert Leggett, 71, a former California congressman who came under investigation in 1976 over his personal life and his relationship with South Korean intelligence officials, but was not charged with any crime in the so-called Koreagate scandal, died Wednesday in Orange, California, after a heart attack.

Moshe Ganchoff, 92, a cantor and composer widely acknowledged as one of the last great exponents of the Odessa tradition of liturgical music, died Aug. 11 at a hospital in Brooklyn.

Pierre Edde, 76, a former Lebanese cabinet minister and scion of a leading Christian political family, died Sunday in Sao Paulo, Brazil, newspapers reported. He had lived there since leaving Beirut shortly after the outbreak of civil war in 1975. He never returned despite the end of the conflict seven years ago.

BRIEFLY

Algeria Gang Slays Family of 7

ALGIERS — A group of armed men disguised as policemen set up a roadblock, then killed a family of seven in western Algeria, witnesses said Monday.

No one claimed responsibility for Sunday's attack near the city of Oran, but it bore the hallmarks of Islamic militants.

Witnesses, speaking on condition of anonymity for fear of reprisals, said the killers had put a note on the chest of one of the victims, warning of "new acts of punishment against the impious ones."

The daily slaughter of civilians has continued despite government promises to end the violence following elections in June. In the past two months, at least 750 people have been killed. *(AP)*

Iraq Lets Iranians Visit Shrines

BAGHDAD — President Saddam Hussein issued orders Monday allowing Iranians into Iraq for the first time in 17 years to visit the country's religious shrines.

The decree, to take effect Sept. 4, reverses a ban on Iranian visitors in force since the start of the Iran-Iraq War. Iraq accuses Iran of sparking that war with an attack on Sept. 4, 1980. It was not immediately clear if Iran would allow its citizens to visit Iraq.

At least 1 million people were killed or wounded in the 1980-88 war, which ended with a UN-brokered cease-fire. The two countries have not signed a treaty, and relations remain bitter.

Iraq has a number of sites holy to Shiite Muslims, who make up the majority of Iran's citizens. *(AP)*

Vandals Deface Church in Rio

RIO DE JANEIRO — Seven weeks before Pope John Paul II is to visit the city, vandals sprayed graffiti inside Candelaria, one of Rio de Janeiro's best-loved churches, the police said Monday.

A police spokesman said three people clambered up scaffolding on the front of the church Sunday and climbed in through the bell tower.

The vandals sprayed colored paint on the ceiling and on a 19th-century Carrara marble statue called "The Fall of the Cherubs." The church facade is being cleaned prior to the Pope's visit to Rio from Oct. 2 to 5. *(Reuters)*

Laos Attacks U.S. Radio Service

HANOI — The Laos government berated the United States for launching its Lao language service of Radio Free Asia, which was to begin transmission Tuesday in Asia.

Linthong Phetsavanh, director of the press department of the Laos Ministry of Foreign Affairs said, "We told them very clearly we objected to this idea because it will create misunderstanding between people." Mr. Linthong said the launching of the service, which was to broadcast hourlong programs twice daily, would strain relations, which have steadily improved between the two countries. *(AFP)*

For the Record

Clashes broke out Monday in Freetown, Sierra Leone, between civilians and hundreds of former rebel fighters who armed themselves with machetes, grenades and automatic rifles to prevent a march by opponents of a May coup. *(AP)*

Southern Africa Trade & Investment Summit

Botswana, November 18–19, 1997

President Ketumile Masire and fellow heads of state from the region will lead discussions at the International Herald Tribune's third Southern Africa Trade & Investment Summit to be held in Gaborone on November 18–19. The Presidents will be joined by business and finance leaders from the region, as well as renowned international figures and senior representatives from some of the world's leading companies currently investing in Southern Africa.

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THE WORLD'S DAILY NEWSPAPER

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Change in Iran?

Just how much Mohammed Khatami can change Iran now that he is installed as president remains unclear. His most progressive instincts on domestic issues may be stifled by Iran's ruling religious leaders, and serious tinkering with foreign policy seems doubtful although not impossible.

But Mr. Khatami, who won an overwhelming vote in May on a platform of moderate reform, is making a credible initial effort to give Iranians a less rigid government. His cabinet appointments are mainly new faces with a reputation for competence and a somewhat less ideological outlook than their predecessors.

Iran's spiritual leader, the conservative Sayed Ali Khamenei, has the final word on Iranian policies. The Parliament, which must approve Mr. Khatami's cabinet, is dominated by conservatives who generally follow Ayatollah Khamenei's lead. Some deputies have already indicated that they will oppose Mr. Khatami's nominee for the post of minister of culture and Islamic guidance, Ayatollah Mohajerani, who several years ago recommended re-establishing relations with Washington. The Interior and Foreign Ministry nominees may also have trouble getting parliamentary approval.

Opposition to the foreign minister-designate, Kamal Kharrazi, stems from his long experience in the United States. He earned a doctorate in education from the University of Houston, and for eight years has served as Iran's representative to the United Nations. He has done nothing in that post that suggests he had any differences with Tehran, but his experience has made him more attuned to the nuances in American society than members of Parliament might like.

The most striking accomplishment on Mr. Kharrazi's résumé was his central role in the 1990-1991 negotiations that freed Western hostages held by pro-Iranian groups in Lebanon. Mr. Khatami himself has lately stayed away from the extravagant anti-American rhetoric that most Iranian politicians favor and has even said that Iran could learn from the West.

One disappointment is that he has not nominated a cabinet that looks like Iran. The support of Iran's women made him president, but he has so far not appointed a single one to a cabinet-level post. He is expected to name a woman, Massoumeh Ebtekar, to be a deputy president for environmental affairs. This is a relatively unimportant post and probably will not receive cabinet rank.

The mullahs who rule Iran can read election results as well as anyone. They know that the dogmatic social and cultural policies of the last government were exceedingly unpopular and could, over time, produce a restive citizenry. If nothing else, self-interest alone ought to motivate them to give Mr. Khatami a fair degree of latitude.

—THE NEW YORK TIMES.

The Chris Hani Case

In South Africa's grueling search for the truth about its apartheid past, no single case has touched a national nerve more deeply than the assassination of Chris Hani in 1993. Then head of the country's Communist Party and leader of the armed wing of Nelson Mandela's African National Congress, the widely popular Mr. Hani, a potential heir-apparent to Mr. Mandela, was shot down on the eve of South Africa's historical passage from apartheid to multiracial democracy.

His death triggered riots in the black townships outside Johannesburg and threatened to capsize the negotiations that led to majority rule a year later. One of the two men convicted of the killing said last week that the assassination's purpose was to trigger chaos, touch off a right-wing coup and end then President F. W. de Klerk's "betrayal" of his Afrikaner nation.

The two murderers, a former Conservative Party member of Parliament named Clive Derby-Lewis and Janusz Walus, a Polish immigrant, are serving life sentences. Both appeared in Pretoria last week to appeal to the Truth and Reconciliation Commission for amnesty. Under this commission, South Africa has been making an extraordinary attempt to sort out the diverse political and moral requirements impelling it to come to terms with a hideous past in terms that permit a decent future. The question now is whether the two criminals meet the basic amnesty criteria of establishing a political basis for past offenses and telling the whole truth about them.

From afar, few would dare say they are confident that the two do or do not meet these South African tests. But certainly it is astonishing to contemplate that two confessed and convicted killers of a prominent national figure could be sprung from prison for political reasons now widely considered reasonable and good.

It says something remarkable about South Africa that the commission has been operating for a year and a half in an atmosphere of public acceptance of its mission, if not of each of its decisions. The pursuit of truth has not always served the quest for reconciliation. The Hani case is one in which that goal plainly has not been met. But South Africans of all races deserve respect for their effort to achieve a second liberation that only reconciliation can bring about.

—THE WASHINGTON POST.

Romania and Bulgaria

This month the Romanian government shut 17 money-losing state factories, relics of the Communist era. The closure is the latest sign that Romania is braving worker protests to stick to harsh but necessary free market reforms. Until a few months ago, Romania and Bulgaria clung to Socialist subsidies and state enterprises while other East Europeans liberalized their economies. In both nations, economic devastation forced a more responsible course, including the election of more democratic and competent leaders.

Until April, Bulgaria was led by former Communists hostile to reform or by conservative leaders so distracted by infighting that they did almost nothing to modernize the economy. Last winter 90 percent of the people fell below the poverty line.

After public protests forced aside the Socialists, an interim government signed an agreement with the International Monetary Fund to end the wanton printing of money, privatize banks and state enterprises and liberalize markets. The coalition of rightist parties that won elections in April seems chastened by its past failures and has continued with reforms. Last month it introduced an austere budget and pegged its currency to the Deutsche mark. Bulgaria's politicians have seemed refreshingly willing to work together, but this political maturity may be tested, because Bulgaria will probably show no substantial growth until 1999.

In Romania, reform was slowed for seven years by President Ion Iliescu, a former Communist who led a corrupt and authoritarian regime. He was defeated in November by Emil Constantinescu, a geology professor. He and his impressive prime minister, Victor Ciorbea, are modernizers committed to Western-style liberalism. They have improved relations with neighbors Hungary and Ukraine and have included the party of the Hungarian minority in the government. Both measures were taken in part to enhance Romania's chances of joining NATO. Mr. Constantinescu seems to have dropped Mr. Iliescu's practice of suing or prosecuting critical journalists.

The government talked about reforms for several months and received large loans from the World Bank and the International Monetary Fund, but, distracted by its campaign to join NATO, did little until the privatizations this month. The reforms will likely face serious opposition, not only from Romania's powerful labor unions but also from politicians in the government coalition.

The pain of subsidy cuts and closure of inefficient state enterprises will try the commitment of both nations to reform. They will need support from the West, strictly conditioned on adherence to their reform plans. The United States and Europe can also encourage the foreign investment that both nations desperately need. The temptation to flinch will be great, but both should not forget the misery brought by their reluctance to shed old habits.

—THE NEW YORK TIMES.

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Israeli Demands to Arafat Need to Be Realistic

By Carmi Gillon

TEL AVIV — As an Israeli intelligence officer, I used to keep photographs in my office of Palestine Liberation Organization officials who were the enemies of my people. Later, when I ran Israel's internal security service, the Shin Bet, I worked closely with those same Palestinians to thwart our common enemy: Islamic fundamentalist terrorists.

After the Oslo accords that Israel and the Palestinians signed in 1993, Israeli security officers initially found it difficult to turn over sensitive information about terrorist plots or arms caches to our longtime foes. And the Palestinians had a hard time arresting and interrogating their neighbors because it made them appear to be collaborators.

But both sides swallowed their distaste because cooperating was the only answer to terror. Eventually we even ran joint operations — including one that led to an arrest for the bus bombings in Jerusalem in early 1996.

Now the mistrust is so deep that an American intelligence agent is needed to funnel information between the Palestinian Authority and Israeli officials about the latest suicide bombing, in a Jerusalem market last month.

In this atmosphere, relying solely on humiliating and bullying Yasser Arafat is not the way to get him to crack down on terrorists and restore cooperation with Israeli intelligence. Some pressure on Mr. Arafat is necessary. But it does not serve Israel's interests to make him seem like a weak capitulator to Israeli demands or to create so much popular Palestinian resentment that it strengthens the hand of Hamas.

That is why it is counterproductive to withhold tax revenues from the Palestinian Authority, for example. That money pays the salaries of the Palestinian security officers whom the Israelis need to track down and stop terrorists.

When Israeli and Palestinian intelligence first started working together after the Oslo accords, the Palestinians had motivation but lacked ability. Now they have ability but lack motivation.

Mr. Arafat has played a dangerous, inexcusable game by using this security cooperation as a bargaining chip with the current Israeli government. He must be shown that this is unacceptable. So it made sense for the U.S. envoy, Dennis Ross, to focus mainly during his recent visit to the region on pressing Mr. Arafat to take strong action against terrorism.

Peace talks should not be restarted before Mr. Arafat makes a solid effort to arrest terrorists and destroy the network that supports them. Yet the demands made of him must be realistic.

I wish he could confiscate all illegal weapons, clamp down on all anti-Israeli rhetoric and meet other demands of hard-liners in Israel. But he would not be able to do this and retain any credibility with his people.

Moreover, an effective security dialogue cannot happen without political dialogue. If there is to be a crackdown on Palestinian terrorists, Mr. Arafat must be able to demonstrate that some benefits will accrue to those who are not in the camp of Hamas and Islamic Jihad. The only benefits he can offer are economic progress and a peace process that is not continuously sidetracked.

Before the Oslo accords, when Israel relied heavily on an often unreliable network of Palestinian informers, we could not do much to uproot the Hamas terrorist infrastructure. Suicidal young men with access to sophisticated weaponry are extremely difficult to stop. Mr. Arafat can do a better job against them, if only because, as Yitzhak Rabin used to say, he doesn't have a Supreme Court or many civil libertarians to worry about.

Just after some of the worst terrorist outrages in 1996, when Israel responded by refusing to let in Palestinian workers, I sat together with Palestinian intelligence officers to plan strategies to find the perpetrators and prevent further attacks. That work required mutual trust. It will be virtually impossible to do such work again if the political impasse continues.

That is yet another reason why it is imperative for the United States to step in as quickly as possible to get peace talks back on track.

The writer, director of Israel's secret service from 1994 to 1996, contributed this comment to The New York Times.

Bosnia: If Dayton Is Ever to Work, NATO Will Have to Stay

By William Pfaff

PARIS — Richard Holbrooke's trip to Bosnia this month was, he said, anticipation of "a real acceleration of the American and Western effort" to carry out the Dayton agreements. But one reason why there so far has been only limited implementation of Dayton is that the agreements are possibly unachievable.

They represent an effort to reconstruct a version of the Yugoslavia which destroyed itself between 1991 and 1995. They require coexistence and cooperation among Serbs, Croats and Muslims, precisely what the nationalists of all three camps have insisted is impossible.

Mr. Holbrooke had an anecdote to offer on television, when he returned home. This concerned the Serbian co-president of the Federation of Bosnia and Herzegovina, Momcilo Krajisnik, and his Muslim coequal, Alija Izetbegovic.

During a meeting, Mr. Holbrooke saw Mr. Krajisnik chat with Mr. Izetbegovic and also, as the meeting ended, give him some books. Mr. Holbrooke said, "What's going on?" Mr. Krajisnik, thought a puppet of the indicted war criminal Radovan Karadzic, had before been ignored by both Muslim and Croatian representatives. Mr. Krajisnik said, "You know, we've known each other for a long time — we're going to try to work together."

The incident was of interest in conjunction with the decision by Biljana Plavsic to work with the international community to end the Bosnian Serbs' self-isolation. She is Mr. Karadzic's former deputy, previously thought under his control, appointed president of the Bosnian Serbs' Republika Srpska in his place, and a redoubtable, not to say bloodthirsty, Serbian nationalist herself.

She is interested in cooperation with Dayton for wholly practical reasons. The people of the Republika Srpska have been plunged into misery because of their isolation, while Mr. Karadzic and his entourage have been doing well for themselves from the contraband trade.

Mrs. Plavsic's decision has thrown her into a confrontation with the Karadzic faction, which she may not win. But there is no future for the Republika Srpska under present conditions. But if Dayton fails, the Serbian extremists would expect annexation by Serbia itself. That is what the war was meant to accomplish.

The Dayton negotiations, like the NATO intervention which preceded them in 1995, could offer only a provisional solution to the war.

The military intervention was necessary to stop the fighting and end the siege of Sarajevo and the massacre of refugees. Dayton was supposed to produce conditions for political settlement.

The United States had already forced a federation of sorts onto the Croatian and Bosnian governments in order to shift the balance in the war. The two together were able to contain Serbian military power in Bosnia, after a Croatian offensive had driven the Serbs out of nearly all the territory they had conquered in Croatia.

Croatia's ambition nonetheless still was to annex the Croatian-populated areas inside Bosnia. Creating the federation was intended to prevent that, while appeasing the Croats, and to save the Bosnian republic, centered on Sarajevo, proclaimed in 1992. The latter's distinguishing characteristics were a liberal constitution and the avowed ambition not to become an ethnic nationalist state.

By the time of Dayton, however, the pressures of war and forced migration, and the passions that the war had fed, had produced in Bosnia a largely Muslim republic dominated by President Izetbegovic's Islamic party.

The federation today is composed of two intensely nationalistic ethnic entities and a mostly Muslim Bosnia (heavily armed, thanks to the United States), uneasily coexisting because the United States and the international community have bullied them into doing so, and because all need international financial support.

It is an artificial political construct. It exists because the available alternatives seem worse. How long it will exist is anyone's guess.

So long as NATO has troops in Bosnia, and is minded to keep the federation alive, it will survive. If NATO leaves, renewed war is the usual forecast — except that this time the Muslims will be in a position of strength. Precisely because of that fact, war would not automatically follow a NATO withdrawal.

In any case, NATO is not going to withdraw. In one way or another, unless the U.S. Congress and/or the European members of NATO take total leave of their senses, there will be foreign troops in Bosnia for a long time. Whether this will be long enough for the Serbs, Croats and Muslims to decide on their own to live together is another matter. They at least have been given the choice.

International Herald Tribune.
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North Korea: A Remarkable Groundbreaking

By Ralph A. Cossa

SEOUL — South Korean officials are to attend a ceremony in North Korea this Tuesday that many predicted would never occur. With their U.S. and Japanese counterparts in the Korean Peninsula Energy Development Organization, they will take part in the groundbreaking ceremony for the first of two light water reactors that KEDO is to build near Sinpo, North Korea.

The reactors, to be used for generating electricity, are part of an October 1994 deal between the United States and North Korea under which Pyongyang agreed to freeze its nuclear "research" program and eventually dismantle its graphite nuclear reactor in return for two light water reactors, whose nuclear fuel is less susceptible to diversion for weapons.

KEDO was set up in March 1995 to carry out that agreement. It has two main aims: construction of the new reactors, and delivery of fuel oil to compensate North Korea for what its says will be energy loss caused by the freezing of its current program. So far, KEDO has accomplished both tasks.

But its real success has been in providing a meaningful way for direct South Korean involvement in the process. Seoul has been a member of KEDO's executive board from its inception. South Korean officials have been involved in all KEDO meetings with the North.

As construction of the new reactors progresses, thousands of South Koreans will travel to the North and come in daily contact with up to 10,000 North Korean workers.

One of the successes of KEDO is that it has transformed the agreed framework negotiated by Washington and Pyongyang into a multilateral effort in which South Korea now plays a leading role.

KEDO's real challenges still lie ahead, however. Of greatest immediate concern is the continued financing both of the fuel deliveries and of construction of the light water reactors. To fulfill its obligations over the next decade, KEDO will probably have to raise $4 billion.

South Korea and Japan will provide the bulk of the money. The future U.S. contribution is expected to amount to tens of millions of dollars. If North Korea's potential nuclear weapons program is to remain frozen, the U.S. Congress needs to take responsibility to keep the KEDO process alive through assured funding.

At present, KEDO is struggling to pay for the next oil shipment because it is in debt. U.S. legislators should put aside partisan politics and ensure that KEDO can keep delivering oil to the North, as it is obliged to do under the agreed framework.

All nations have a stake in KEDO's success. Greater outside funding support, especially from the Middle East and Southeast Asia, is needed.

Pyongyang could help by announcing a schedule for dismantling the nuclear facilities it has frozen. Technically, the North can delay this for some time. The agreed framework calls for reactors to be dismantled when the light water project is completed.

But the longer after construction begins on the first new reactor that there is no action to dismantle existing facilities, the louder will be the critics and the less assured will be the U.S. congressional dollars needed to see the agreement through.

A good-faith North Korean effort to begin dismantling now would be an important signal of Pyongyang's sincerity and commitment to the process.

Pyongyang should also accept responsibility for providing the necessary infrastructure to handle the electrical output of the two light water reactors. North Korea's creaking transmission and distribution system cannot handle the power generated by the new reactors, and much of it will need to be replaced or modernized. The U.S. State Department and KEDO maintain that the North is responsible, but Pyongyang has persistently sought KEDO's agreement to provide the upgrade. If it is not capable of doing so on its own, the North should seek other means of funding outside the KEDO process.

Finally, North Korea has to bring itself into full compliance with International Atomic Energy Agency safeguards, to include accountability for past reprocessing activities. Until this occurs, critical components necessary for the light water reactor to start operating will not be delivered.

South Korean politicians should act to keep KEDO and the agreed framework out of partisan politics as December's presidential election approaches. All the presidential candidates should sign a joint statement endorsing KEDO and the agreement on which it is based.

The writer is executive director of the Pacific Forum, a Honolulu-based research institute affiliated with the Center for Strategic and International Studies in Washington. He contributed this comment to the International Herald Tribune.

A Visa Nightmare to Ponder

By Anthony Lewis

NEW YORK — John Psaropoulos is a television journalist who has worked for the Cable News Network in Atlanta for the last three years. He has just been through an experience that had echoes of Kafka.

Mr. Psaropoulos, a British subject, was in America on a visa that allowed him to work here. Last winter he took a two-week vacation in Greece, where he was born. He flew back to Atlanta on March 29, but at the airport he was told by an immigration inspector that he was ineligible to enter. His work visa had expired, and the Immigration and Naturalization Service had not acted on an application filed by CNN to extend it.

He was allowed into the country temporarily, to be given a "deferred inspection" later. He went in for that inspection on May 7. In the meantime the application to extend his visa had been denied because CNN's lawyers had failed to file a required labor form with it.

Mr. Psaropoulos sat down for an interview with an INS officer, Marvin Clinton. This is his description of what happened: "The door opened and two men entered the room with handcuffs. Mr. Clinton explained that I was to be Expeditiously Removed from the United States and barred from entering for five years."

The capitalized words refer to a provision of the severe new immigration law passed by Congress and signed by Bill Clinton last year. It provides for what it calls Expedited Removal of aliens. The law eliminates or severely restricts the right to court review of orders by INS officials.

The INS officers took Mr. Psaropoulos to a detention center, where he was held in a cell overnight. The next evening he was put on a plane back to Greece. The INS supervisor at the airport said he would waive the five-year ban on his return because there had been no deliberate wrongdoing, and he gave Mr. Psaropoulos a form indicating that.

CNN's lawyers now filed the needed labor form, and the INS approved an extension of the visa. In Athens Mr. Psaropoulos went to the embassy, explained everything that had happened and was given the visa. On June 27 he flew back to Atlanta. At the airport an immigration official informed him that he was banned for five years. He was allowed in temporarily, to be formally inspected for entry on July 11.

When he went into the INS office on that date, his newly issued visa was canceled. He was ordered to leave the country within a week — and stay away for five years.

The blow was all the more traumatic because Mr. Psaropoulos was engaged to be married to an American woman, Alicia Stallings.

Colin Campbell, a columnist for The Atlanta Journal and Constitution, heard about the case and called the INS district director, Thomas P. Fischer. "We have questions about his integrity," Mr. Fischer said. What questions? "That's privileged information."

On July 18 Mr. Psaropoulos flew to Greece. The INS, evidently fearing adverse publicity, thought again. On July 21 Mr. Fischer reversed the decision and granted Mr. Psaropoulos permission to reapply for admission. He got a new visa in Athens and plans to fly to Atlanta again next month.

So it seems now to be a happy ending, unless some INS official reverses it again next month. It came at a price for Mr. Psaropoulos: $20,000 for, among other things, lawyers' bills and plane tickets that CNN did not cover. How many people can afford that price to fight an arbitrary immigration decision?

"It's just a huge weight off us," Alicia Stallings said. "We put off our wedding just in case the INS somehow took it wrong."

But the real wrongs in this story are not over: the wrong of vesting in INS bureaucrats unreviewable power to destroy people's lives; the wrong of bureaucrats using their power to punish someone because his employer didn't file a piece of paper; the wrong of making people subject to a five-year bar from the country because of an innocent mistake.

Hardly anyone who is the victim of such a process will be lucky enough to have the press take up the case.

The New York Times.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1897: Armenian Blow

CONSTANTINOPLE — The Armenians to-day [Aug. 19], almost on the anniversary of last year's bomb throwing, once again engaged in their diabolical work. About three o'clock this afternoon a loud explosion was heard in Stamboul. The explosion was caused by dynamite hurled through the lower windows of the Sublime Porte by Armenian hands. One porter was killed and several officials were wounded. Two arrests have been made among Armenians who were flying from the scene of the outrage.

1922: Red Church

PARIS — At a meeting of the Red, or so-called "live," church in Russia, held in Moscow last week, it was resolved to disperse existing parish councils as being "reactionary" and to convert all existing monasteries into workhouses on a communal basis and compel the monks to become hospital nurses. It was also resolved that Patriarch Tikhon must be deposed. The Patriarch is still locked up in a Moscow monastery.

1947: Bulgarian Case

WASHINGTON — The United States and Great Britain took another step in defense of Nikola Petkov, anti-Communist leader of the opposition Agrarian party in Bulgaria sentenced to death at Sofia for plotting to overthrow the Bulgarian government. They both appealed to Russia to influence the Communist Bulgarian government to suspend the sentence until the Allied Control Commission for Bulgaria had a full opportunity to review the case. The United States maintained that Mr. Petkov's fight for civil liberties "has evoked deep sympathy in the United States."

OPINION/LETTERS

Grassroots Guideposts To the Clinton Legacy

By David S. Broder

WASHINGTON — The question that will largely determine President Bill Clinton's legacy is not how much he has changed the world or the nation but how much he has remade the Democratic Party.

The first re-elected Democrat to occupy the White House since Franklin D. Roosevelt, Mr. Clinton has been denied so far the opportunity for heroic leadership that FDR was given.

Roosevelt created the New Deal in response to the Great Depression. He forged the alliances with Britain and the Soviet Union to win World War II. While doing so, he also redefined the meaning of

As it was under FDR's leadership, the Democratic Party is in transition.

his party, transforming it from a strange amalgam of immigrant urban dwellers and southern Bourbons into an engine of governmental activism at home and abroad that commanded a long-term majority across America.

Mr. Clinton has faced no domestic or international crisis of remotely Rooseveltian scale. Yet there are those who already assert that he is reinventing the Democratic Party for the 21st century.

The ultimate test of that proposition will be his ability to secure the nomination and election in 2000 of his chosen successor, Vice President Al Gore. But in the meantime, the Clintonites are not shy about claiming a transformational role for their leader.

The latest supporting evidence appeared in the past fortnight. Almost four-fifths of House and Senate Democrats (notably excluding the House minority leader, Dick Gephardt of Missouri) supported the compromise budget and tax bill that Mr. Clinton negotiated with congressional Republicans, thus formally committing the party to a domestic policy course notably more conservative than any in its past.

And almost simultaneously, the president's pollster, Mark Penn, published a survey of grassroots Democratic voters demonstrating that Mr. Clinton's policies not only appeal to swing voters but define the emergent majority within his own party.

That majority, according to Mr. Penn, is made up of people comfortable with their prospects in the new international economy but strongly attached to traditional family values. They see the government neither as oppressor nor as protector, but as an empowerment machine that "should help people equip themselves to solve their own problems."

Al From, president of the centrist Democratic Leadership Council, which paid for and released Mr. Penn's poll, said in an interview that "this is clearly not our fathers' party — it is now the party of the new economy and suburban values, embodied by Al and Tipper Gore."

That may prove to be the case, but the picture is more complicated and uncertain than these statements suggest.

The "conversion" of congressional Democrats to Clintonomics will be tested this autumn, when the administration goes to Capitol Hill seeking "fast track" authority to negotiate more free trade deals like the North American Free Trade Agreement.

In 1993, the trade agreement was approved with Republican votes, over the opposition of most Democrats. Labor is mounting a major campaign to defeat "fast track," and it will be important to see how Mr. Clinton fares on the Democratic side of the aisle.

Mr. Penn's poll is more ambivalent on that issue than he is comfortable conceding. He told me that it shows "Democrats support free trade, as long as there is reciprocity." But his own data show that exactly as many Democrats favor "working to limit trade to protect American jobs" as endorse "working to maintain free international trade and open up new markets for American products."

Two out of three Democratic voters said they agreed with the statement that "U.S. markets are too open to goods from other countries," even though nearly as great a majority reject a "protectionist" policy when that loaded word is used in the question.

Similarly, when "fast track" is explained in positive language, two-thirds of the Democrats approve it. But on other, more neutrally

The party's new constituency supports school prayer as well as abortion rights.

worded questions, a plurality of Democrats believe that "America's integration in global markets ... benefits multinational corporations at the expense of working families" and "encourages U.S. companies to move overseas."

Trade is only one dimension — albeit an important one — in the ongoing debate within the Democratic Party. Mr. Penn's poll draws a fascinating picture of a Democratic constituency that defies conventional categories — a constituency that on the whole supports both abortion rights and prayer in schools, national school standards and vouchers that would let parents remove their children from public schools.

Such Democrats oppose gay marriages but favor government requiring insurers to offer gay couples the same spousal benefits that are available to conventional families.

This is a party in transition, but its destination is not yet clear.

The Washington Post.

The Southern Senator Knows About Devilish Mischief

By Robert Plunket

SARASOTA, Florida — If you live in the American South, you immediately see that there is another player involved in this Jesse Helms-William Weld-Richard Lugar struggle over the soul of the Republican Party.

That player is the devil. He occupies a much different place in Southern life than he

MEANWHILE

does in the rest of the country. He is a living presence here, not just a concept.

I have no idea how he got here; for that information you'll have to consult the works of William Faulkner or the screenwriter Billy Bob Thornton. But, as Jesse Helms knows, he is here, and as a neighbor he takes a little getting used to.

True, the devil does have his fun side. Night life in the South is marvelously seedy and there is a very palpable sense of sin. The biker bars are rougher, the gay bars are gayer (the South is the home of drag), the nudie bars are nudie-er. And ah, the parking lot of a Southern bar on a muggy Saturday night.

That truly is the devil's playground. With any luck you'll find drugs, prostitution, gambling and firecrackers, not to mention the town's leading minister and a county commissioner or two.

That is the best thing about sin in the South: The devil still makes you do it. When Jimmy Swaggart made his famous confession on television, Northerners saw the ruined shell of a man, his life destroyed by addictive behaviors. Southerners saw a minor slip that should be all cleaned up by next week. You're allowed a slip every now and then. The South is the only place left where you can get drunk regularly and not be considered an alcoholic.

But some of the devil's little schemes are not as entertaining as televangelism. The South — and here, as a Southerner by birth and heritage, I'm defining the South as anywhere they automatically serve grits with your eggs — certainly is the land of strange crimes.

People are always disappearing and then being found six months later in the woods by a hound dog, all decomposed. And there is a serious devil-worshiping problem among the young. Just yesterday a group of teenagers were put on probation for listening to Marilyn Manson and then going out and running over tombstones.

The cemetery vandals I can live with. It's the cat killers that get to me. Twice in the past 10 years I've had to live through these Son of Sam type sieges of people who capture house cats and then kill them in Satanic rituals. You try telling my cat that he can't go out tonight because the devil might get him.

Naturally, anyone with a high moral purpose must make his stand against the devil. Every year at Halloween there is a great civic debate in many towns as to whether the holiday should be abolished for glorifying Satan and his works.

And any sports team with the word "devil" in the title is a constant target.

I have a friend who owned a store called Cult Video — he specialized in hard-to-find classic and foreign films — who finally changed the name of the business because of all the harassing calls.

Jesse Helms (as far as I know) isn't this extreme, but like any good Southerner he knows a devilish scheme when he sees one, and you

have to admit that legalizing marijuana for medicinal purposes does sound exactly like something the devil would come up with.

Of course he must be opposed. Any Southern politician knows he must always stand up to the devil, unless, of course, the two of them already have a prearranged pact, i.e., tobacco.

And not just any politician. The other day I was in that agora of Southern life, the 7-Eleven, and when the woman in front of me had her purchases totaled up, they came to $6.66. She became hysterical. The whole store became hysterical. We all had to chip in and give her enough money to buy another pack of cigarettes — anything to undo that terrible number.

So watch out, William Weld and Richard Lugar: I wouldn't want to get into a fight over the soul of anything with Jesse Helms. He's been taught by experts.

Mr. Plunket is the author of two novels, "My Search for Warren Harding" and "Love Junkie." He contributed this comment to The New York Times

LETTERS TO THE EDITOR

The Way to Peace

Regarding "Resentful, Palestinian Police Resist Israeli Demands" (Aug. 9):

It is important to know about the frustrations and anguish of Palestinians following the depraved and despicable Jerusalem bombing.

I realize there are many who will not agree, but I believe the vast majority of Palestinians are just as sorry about the bombings as the Israelis are. In the same manner, Arabs mourned the assassination of Prime Minister Yitzhak Rabin. And why not, since both sides lost in both incidents?

Grinding down the Palestinians is counterproductive. It is the worst way to engender cooperation to stop the violence, as the article clearly points out.

What is needed is the cessation of harassment and violence, backed by honest calls for peace from leaders on both sides.

It also would be a great help if the building of more settlements were stopped. What is the point of building more, when it is bound to bring more strife?

R. M. HINCKLEY JR.
Altea, Spain.

The essence of the Oslo agreement was to give the Palestinians self-rule in exchange for security and peace. Terrorism is not peace. The claim that it is the policy of the Netanyahu government that brought about this situation does not hold up. The most terrible suicide bombings in Tel Aviv and Jerusalem occurred when Shimon Peres — the man who embraced Yasser Arafat as a peace partner and who was the main architect of the peace process — was in power. Indeed it was after those bloody attacks that the Israeli population began to doubt Mr. Arafat's intentions.

Now Mr. Arafat tells us he cannot act against the Islamic terrorists because it will undermine his position with the Palestinian population. This, coupled with the Palestinian Authority's incitement on their radio and television, creates the background for further violence.

Until Mr. Arafat makes an honest and sustainable effort to collect illegal weapons, arrest the planners and perpetrators of terrorist acts and dismantle their infrastructure, Western aid to the Palestinian Authority should be withheld, and Benjamin Netanyahu would do well to stand firm. No government should agree that its citizens be massacred with total impunity.

FERNAND LEGER.
Paris.

The Value of Valor

Richard Cohen *("Watching the Vietnam War Left Questions and Guilt," Meanwhile, Aug. 13)* feels guilt that he "did nothing either way" during the war in Vietnam. I did it both ways: I protested the war and obtained deferments but was finally drafted and fought. Let me assure Mr. Cohen that he need not harbor any "sense of something lacking." While bravery in combat may be laudable, it is valuable chiefly at the time, and results as much from fear and foolishness as from more noble traits.

Mr. Cohen reasoned that the war was wrong and avoided participating in it. Had more young (and older) men in our country followed that path, much senseless destruction and loss of life might have been avoided.

JERROLD W. HUGUET.
Bangkok.

M-1s and F-16s

Regarding "Quietly, an Opening for Gun Imports," (Aug. 8) and the editorial "Arming Latin America" (Opinion, Aug. 6):

As a former user of the M-1, I can testify that it was not "much loved" by U.S. soldiers in World War II. As for F-16s, only Lockheed Martin, not the people of Latin America or the United States, benefits from selling and servicing them.

BERTRAM A. WEINERT.
Nice.

Tigers Off Course

Much has been written about the currency devaluations in ASEAN countries. There sometimes is a hint of glee at the "downfall," in the same way that there was a hint of wonder when the same countries were performing economic miracles.

No one questions whether Germany is finished despite the fact that the U.S. dollar has risen 20 percent against the Deutsche mark so far this year. Yet there is much conjecture over ASEAN's ability to withstand the current financial crisis.

ASEAN countries are nothing if not flexible. Despite tremendous odds, lessons will be learned and measures will be taken to get back on course. The tigers will roar some more.

ISABEL CARO WILSON.
Madrid.

Drugs and Politics

A. M. Rosenthal, in "We Don't Want a Drug Legalizer" *(Opinion, July 31)* seems to ignore the fact that while there is a valid movement to legalize marijuana, other more potent and dangerous drugs have been in use as medicine for decades. Cocaine is used as a topical anesthetic, and opiates (from which heroin hails) are used for general anesthesia.

Furthermore, the new wave of drug abuse, as I see it, is with drugs obtained through one's doctor.

I personally appreciate choice among painkillers. And if I can choose a marijuana derivative over an opiate-derived drug, I will.

William Weld's advocacy of legalization for medical use of marijuana should not affect his candidacy to be ambassador to Mexico.

What we have here is yet another example of politicians seizing on the issue of the day to ensure that they get maximum media coverage and that only a minimum of government business is expedited.

DANIEL YOHANNES.
New York.

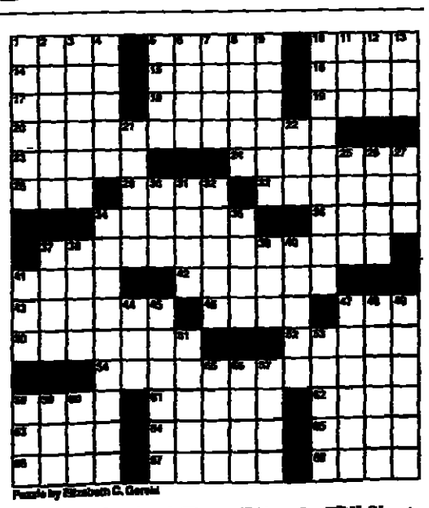
CROSSWORD

ACROSS

1 "Shoo!"
5 Bishop of old TV
10 Like some furs
14 Forbidden: Var.
15 Ballroom dance
16 Novelist — S. Connell Jr.
17 Gobs
18 Sharon of Israel
19 Behind schedule
22 Righteous Brothers' musical style
23 Cool fabric
24 Crisp fabric
25 Coda's place in a score
29 House of —
33 Thingamajig
34 Think about
36 Old-time actor Wallace —
37 1967 Van Morrison hit
41 Handel oratorio
42 Say again
43 Teamed up (with)
46 CD player maker
47 Corp. giant
50 They practice girth control
52 Less convincing, as an excuse
54 Popular Southern vegetable
59 Lima's locale
61 São —
62 Touch down
63 1934 Pulitzer writer Herbert
64 Church officer
65 "Or —— I"
66 Big Apple section
67 Logician in space
68 Sunbeams

DOWN

1 Place to start a ride
2 Check voicemail, perhaps
3 Be plentiful
4 Student
5 Judge's order
6 Fabled fast starter
7 Oklahoma city
8 Discharge
9 Type of mutual fund
10 Took the bait
11 One of Frank's exes
12 Krazy —
13 Opposite WSW
21 Fund
22 Sky light?
25 German river
26 Peacock's pride
27 Supplement
30 Bed-and-breakfast
31 River through Frankfurt
32 Juan Carlos and others
34 Former Kremlin hotshots
35 Property taken back
37 Hope-Crosby's "Road to ——"
38 Govern
39 Hideout
40 Singer Crystal
41 Down
44 Sushi bar order
46 Window treatments
47 African antelope
48 Woe
49 Swaps
51 Resell at a profit
53 Philosopher Mortimer
55 Bit of praise
56 Util. bill
57 Duchess of ——
58 Dads
59 Kind of maniac
60 "Go, team!"



Puzzle by Elizabeth C. Gorski

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Solution to Puzzle of Aug. 18

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Leather Makers to the Queen (and Ferrari and Jaguar Too)

By Kate Singleton

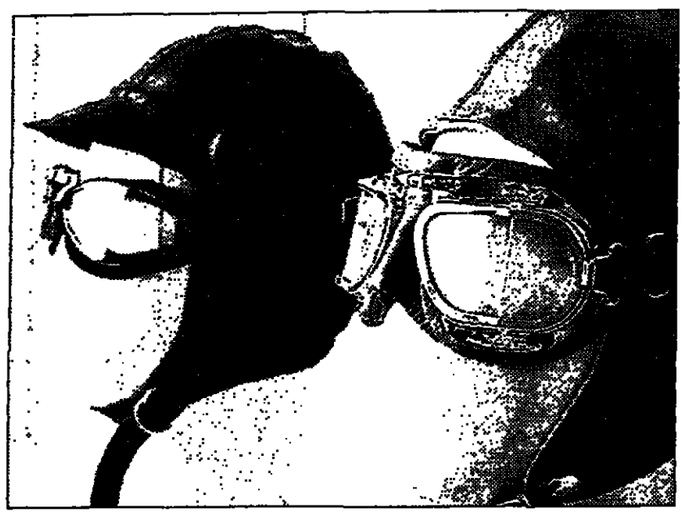
CANTERBURY, England — There's water everywhere. Great vats of it that churn their sodden contents slowly around. Vast bins and baths and basins full of murky liquids. And plenty on the pitted floors, awash with limy aqueous waste and fleshy residues. There's nothing here that doesn't slop, flop, drip and spray. And most of it assails the nostrils too.

Despite the sophisticated machinery that has now shortened many processes and replaced much manual heaving and shoving, tanneries still appear positively medieval in their smells and sounds and general leakiness. So when the outcome of their labors is the most exquisite leatherware money can buy, the whole process appears to be imbued with the spirit of alchemy: the magical art of transmutation whereby base materials are turned into — well — what motorcar buffs would call works of art. For this is the tannery that provides the leather that you find on the inside of Ferraris, Aston Martins, Morgans and Jaguars.

Leather tanning at St. Mildred's Tannery in Canterbury goes back so far that it predates the establishment of the famous cathedral some 1,400 years ago. The firm is owned by the Connolly family, "leather tanners and curriers by appointment to Her Majesty Queen Elizabeth II." The company was established in 1878 by Samuel and Joseph Connolly, the sons of a tiresmith and wheelwright. So great was their renown as shoesmiths and saddlers that in 1901 they were commissioned to make the leather seats for Edward VII's coronation coach.

At the turn of the century, the Connolly brothers adapted their saddlery skills to meet the demands of the nascent automobile industry. When in 1904 the Honorable Charles Rolls and Henry Royce built their first model, Connolly was chosen to supply the upholstery.

Today the list of carmakers who have turned to Connolly for the last word in luxury interiors reads like a roll of honor. Clients also include Concorde and the QE2 — as well as at least 14 parliaments around the world, including the Palace of Westminster, which sit on Connolly leather.



Leather headgear from St. Mildred's Tannery in Canterbury, England.

AFTER more than a century of focusing on seats, the third and fourth generations of Connollys recently decided that their skills and experience could be used to provide a wider range. This has culminated in a new London store that, in addition to leather goods, also sells cashmere sweaters, ties and other accessories. Tucked away behind Hyde Park Corner, the Connolly showroom at 32 Grosvenor Crescent Mews is an elegant exercise in understatement and a far cry from the refined crush of nearby Belgravia shopping.

Appropriately enough, the premises once served as a stable, complete with loose boxes and mews doors that have been sensitively incorporated into the building renovated by Andree Putman. Pride of place on the ground floor is taken by the collection of luggage designed by Ross Lovegrove and made with consummate skill and attention to detail. On the floor above there is a huge table on which the entire range of Connolly automotive and upholstery hides can be unrolled. Here you can touch and sniff the leather, experiencing the beauty of pliancy, grain and hue.

Stretching the leather, part of a tanning process that still feels medieval.

The Connolly headquarters is in the London suburb of Wimbledon. Tanned hides are trucked up to these rambling workshops from Canterbury on wooden "horses." They are inspected, oiled, dyed and sleeked, which is what currying is all about. Then they are stretched on mesh screens before being dried in carefully regulated ovens. Next comes a two-hour tumble in a huge wooden drum to enhance the softness of the leather, and finally a last stretching session using a sophisticated Dynavac machine.

THE essence of this style of tanning and currying is the knowing combination of traditional methods and advanced technology. Hides may now be fleshed and split by machine, but constant hands-on measurement and control are required because no two hides are ever the same.

The finest come from northern Europe, where low temperatures discourage such insects as the warble fly, whose eggs laid under the skin cause considerable damage. Baths of lime and sulfide remove salt, hair and traces of dung from the hides, and the tanning as such replaces all aqueous substances with organic materials and metals. At St. Mildred's, the current alchemy involves trivalent chromium, which softens the hide, and an organic mixture of extracts from acacia bark and the husk of the Indian myrobalan nut, which enhance the leather's rich aroma.

"True leather is something unique, so coating and texturizing it for uniformity literally goes against the grain," says Jonathan Connolly, 36, who looks after the prestigious Ferrari account and is on the design committee planning future retail developments.

"I believe that it's the individuality of leather at its best that our customers find so enticing," he says. "That's really what accounts for the success of our shop too. If things are individual, then they're also exclusive."

Kate Singleton is a writer based in Italy.

Eva Zeisel: 2 More Projects at the Age of 90

By Lucie Young
New York Times Service

NEW YORK — I am slimming right this moment," said Eva Zeisel, 90, upon hearing that photographers were expected. "I've only eaten half of this scone, and I am putting the rest of it down."

Zeisel was speaking on the phone during a tea break from designing a new collection of curvaceous wooden furniture.

Fifty years after her first heyday as one of America's preeminent designers of ceramic tableware, Zeisel is enjoying the spotlight again. Twenty-five of her pieces from the 1940s and '50s are back in production, including some from the sleek, lilting Tomorrow's Classics series and the rougher, more bohemian Town and Country line.

"She is absolutely one of the greats of 20th-century design," said Christopher Wilk, who brought the first retrospective of her work to the Brooklyn Museum, in 1984, when he was a curator there (he is now a chief curator at the Victoria & Albert Museum in London). "She became the leading designer in the ceramic industry in America."

But more interesting to Zeisel are her new projects, like her first furniture collection (which includes pieces for home offices) and interiors for three Original Leather Stores — in SoHo, Greenwich Village and a new one to open next month at Madison Avenue and 82d Street.

"I am almost committing suicide — they messed it up so badly," she said in exasperation after a visit to the Madison Avenue construction site last week. "We are having people come out of the bathroom on a 20-inch ledge, and they will all fall down the steps."

Now busier than ever, Zeisel seems to be everywhere at once. She shuttles between her apartment near Columbia University, her studio in the Flatiron district and two homes in Rockland County, New York: a large white clapboard house, part of which is being rebuilt after a fire, and a seven-room guest house that started out as a garage and has sprouted in all directions.

A visitor to Zeisel's Rockland domain should expect a cup of her tea (which is strong enough to dye teeth on contact) and an energetic scamper all over the property. Wearing lavender tights under a pale gray housedress with ruffs at the neck and cuffs, she insists that a visitor accompany her to inspect her workshop, which is now full of the industrial-strength saws she uses to make furniture prototypes.

Or she drags the visitor along to check on the progress of the rebuilding of the main house.

"The supports look like toothpicks," she told the workmen in her thick Hungarian accent, her unruly white hair standing up on end like Einstein's. Then she ordered them to escort her to the first floor of the damaged wing to bounce up and down a bit on the floorboards to test the sturdiness of the underpinnings.

"She suffers from projectitis," said Jean Richards, Zeisel's daughter. "She will go anywhere at any time of day or night to see anything."

Zeisel enlarged the guest house over a seven-year period in the 1960s, doing much of the work with her own hands. The result is an eccentric compilation of materials, including 1950s wrought-iron balustrades from hotels that are used as banisters, and factory windows that frame views of an indoor garden.

A semicircular alcove in one of the two living rooms is partly walled with granite boulders pilfered from a building site on West 189th Street. The night watchman was somewhat perturbed when Zeisel (then sixtysomething) turned up in a U-Haul truck with some of her design students to cart off the rocks. He didn't stop them.

"We were in the majority," she said. "If I hadn't picked up the stones they would have gone on the rubbish."

The house's warmth and whimsy and lack of right angles were some of the elements that inspired Steven Rappaport, owner of the Original Leather Store, to engage Zeisel as his designer. He and his family rented the guest house for five years, from 1990 to 1995.

Despite current differences over the execution of the Madison Avenue shop, Rappaport is still a great fan. "The practical response to her work was that my business increased phenomenally," he said.

Another of Zeisel's projects is the office of her nephew John M. Striker, the president of Brownstone Publishers in Manhattan.

"This is like Betty Crocker's test kitchen," he said. "She used me as a test lab for the office furniture she wanted to design." Zeisel apparently didn't wait for a commission (or even permission) from her nephew. She simply told him: "Don't buy anything. I'll build it all for you."

THE results are a curvaceously sculptured bookcase, desk, side chairs, two low tables and four filing cabinets that are camouflaged as a long sideboard (the individual units can be wheeled anywhere and have flip-up work surfaces).

Paradoxically, though generations of Americans have dined, lunched and even breakfasted off her creations, most of her career has been spent in factories, with little contact with her customers except by mail. So earlier this summer, to meet her public face to face, she decided to take a stand at the Rockland County Fair selling the new editions of her ceramics.

"For the first time ever, I saw people reach for and touch the pieces I designed," she said. "My Russian neighbor said it is déclassé to sell at the market — but what do I care?"

Fred R. Conrad/The New York Times

Zeisel with some of her works in progress at her workshop in Manhattan.

BOOKS

INVENTING MEMORY: A Novel of Mothers and Daughters

By Erica Jong. 316 pages. $25. HarperCollins.

Reviewed by Richard Lourie

RECENTLY when a college student informed me that his major was "creative writing," I just barely resisted the temptation to reply — As opposed to what, destructive writing? Now, however, I can see that such a category might well exist, for Erica Jong's excursion into history does damage to the novel as art form, to our notions of the past, and to the English language. Sloppy, pretentious, and often unintentionally hilarious, this novel is right in tune with the times and no doubt destined for success.

"Inventing Memory" chronicles the fates of four generations of Jewish women — the bold and resourceful Sarah who flees the pogroms of Russia to become a prominent portrait painter in early 20th-century New York; Salome, a flapper-writer who joins the literary Lost Generation in Paris; the drug-doomed folk singer Sally Sky (a nice touch, the family name Levitsky shortened to '60s cosmic nomenclature), and finally (to early 21st-century Sara, who documents family histories, including her own, for the Council on Jewish History in New York.

When not clashing with each other, the mothers and daughters struggle with Art and Truth and Sex. Their issues and imperatives are grandiose, melodramatic — "what kind of world is this for smart women?" "I have to claim my voice or die!" And what is the wisdom derived from a century of struggle? "Talent is talent but it's not enough. You have to be able to sit in your chair and work. And work. And work. And work."

The text is peppered with Yiddish — words, sayings, proverbs ("Three things can never be hidden: love, a cough and poverty") — but seem overused to disguise a lack of true flavor. The same holds for the history. Though the author has indeed created heroines who are distinct products of their time, she is careless about creating the background of those times through fact, incident and language. The word "famously," which became a classy cliché only in the last few years, is used both by the emigrant Sarah and in a fictional 1951 Time magazine review. More disastrous anachronisms appear in Salome's godawful poem on the Holocaust written in December 1941, which includes references to bales of hair, eye glasses, gold and ovens that were not known at that time.

But why quibble when even old Sarah herself says: "Now the Holocaust has become a mini-series." Even when the details are right, they seem perfunctory, as in this description of early 20th-century New York: "It was a world of outdoor privies. Irish cops, whalebone corsets, dumbbell tenements and Beaux Arts (or Brownstone) mansions — but the griefs and heartbreaks were the same. The panic about being broke, the thud in the heart when love came to call, the hopelessness of the old and the arrogance of the young — all these were the same."

Like some strange particle of modern physics, the vulgarity of this novel extends in every direction simultaneously, reaching from the Most High on down. The God of the Old Testament is described as: "This God was no wuss. This was a macho God. No wonder the Jews were so proud to have been chosen by such a butch God, Jahweh of the cojones."

Oddly enough, Jong who made her reputation as a woman liberated enough to speak freely and openly about women's experience of sex, writes erotic scenes that range from the banal to the laughable. Salome, in a chapter entitled "Days of Hope, Sex and the Literary Life," has the courage to let us see into her secret garden of erotic sentiment: "He is blond, tall, a Greek god. When he plays the piano, I get so excited I'm afraid I'll wet the sofa."

But my favorite bit of erotic metaphor appears in a letter from Salome to a lover: "I smell burning sugar wafting up from my panties." This line alone was worth the price of admission and will achieve immortality at least as far as I'm concerned; from now on whenever I catch any such odors drifting into my study, I will have to wonder whether it's the scent of a woman or just crème brulée.

Richard Lourie, who is finishing a novel called "The Autobiography of Joseph Stalin" and beginning a biography of Andrei Sakharov, wrote this for The Washington Post.

THE GUN SELLER

By Hugh Laurie. 339 pages. $24. Soho.

Reviewed by Jay A. Fernandez

LOOK no further. That is, please continue reading this review, but you can stop the search for that perfect read for the final weeks of the waning summer. If you can allow yourself only one more "light" book, just one, before the encroaching darkness of fall guilts you into re-reading "Being and Nothingness," this has to be it. "The Gun Seller" is fast, topical, wry, suspenseful, hilarious, witty, surprising, ridiculous and pretty wonderful. And you don't need a permit to buy it.

Our narrator, as well as reluctant crusader against money-grubbing governments and the myopic military-industrial complex, might be James Fincham, a decent man in the wrong place at the right time. Or he's Herr Balfour, high-rolling vacationer at a swank Swiss ski resort. Or is he Ricky, the young, intelligence-challenged Minnesotan terrorist?

The man behind these identities is Thomas Lang, former officer of the Scots Guard, unemployed, underfed and generally uninterested. Yet, by the end, Lang stands as a hero for the '90s: flippant, cynical, sensitive, resourceful, world-weary; strong and ethical. A man stranded in the middle of the chaotic sea of modern life with just a healthy sense of irony for a life jacket.

The plot chases down our hero on page one as his arm is being painfully broken by another man. As clear as I can make it, this is why:

While in Amsterdam doing nothing in particular, Lang was approached by a man named McCluskey who offered him a lot of money to kill a man named Alexander Woolf, at which point Lang, being the upstanding guy he is, refused the job, but decided to return to London and warn the target, whereby he was attacked by the actual killer, who tries to break Lang's arm and is knocked silly by him, whereupon an enchanting woman whom Lang immediately falls in love with, and who turns out to be Woolf's daughter, appears and calls the police, who inform Lang that the man he has beaten badly is in fact Woolf's bodyguard, causing Lang to appear to be the attempted murderer, until Lang finds out that McCluskey is actually Alexander Woolf, a man who apparently hired Lang to kill the same man who hired him.

Right.

Mind you, this only gets you to page 50 or so, where the plot gets really convoluted. And if you can put the book down at this point, you shouldn't be reading anything without pictures. Laurie has constructed a delightful novel with (almost) everything: There's a genuine plot twist on every other page.

Hugh Laurie is an actor ("Blackadder," "Jeeves and Wooster"), and if you've ever seen "Blackadder," you will recognize how easily his comic sensibility was transposed into this, his first novel. "As daft as tripe," one of my British colleagues quipped about the author, and while I'm not sure what the heck that means, it was said in a complimentary way.

This is right on the money in describing the book as well. The playful likability of the narrator had me laughing and the plot machinery had me rapt, so that when I say that this is perfect light summer reading, it is meant in the most complimentary way.

Jay A. Fernandez, a Washington writer, wrote this for The Washington Post.

CHESS

By Robert Byrne

VLADIMIR Kramnik, who is the No. 2 player in the world, brilliantly confirmed his status by winning the elite Dortmund International Tournament in Germany in July.

The 22-year-old Russian grandmaster scored 6½-2½ to put himself a point ahead of the runner-up, Viswanathan Anand of India. Kramnik started his performance by an incisive victory over Anatoli Karpov in the first round.

The defense after 5...Be7 is a Queen's Indian formation by Black facing an English Opening by White.

Most players prefer the recapture with 8...Nd5 to 8...ed, which supposedly gives Black a harder task with all the pieces on the board. But it does permit White central aggrandizement with 9 e4 Nc3 10 bc Nc6 11 d4.

Karpov's 10...Nc6 may look strange, but he quite clearly does not like 10...c5, which allows White to operate with the plan of 11 d4 followed with a little preparation, by 12 d5, establishing a strong passed d pawn. He would rather defend a passive but elusive position.

In Kramnik's last experience against Karpov with the position after 11...Na5, in the Amber Tournament in May, he chose 12 Ne5 Bd6 13 f4, got little and the game was a draw. This time he uses an alternative scheme with 12 h4!? Re8 13 h5 h6 14 Ne5 Bd6 15 Bf4.

Kramnik increased his control of kingside space with 19 e5!? and threw his troops into that sector with 21 Re4. 24 g4 and 25 g5.

Karpov had to accept the pawn sacrifice with 25...Ne3 26 fe hg, for otherwise 27 g6 or 27 gh would break open the black king position.

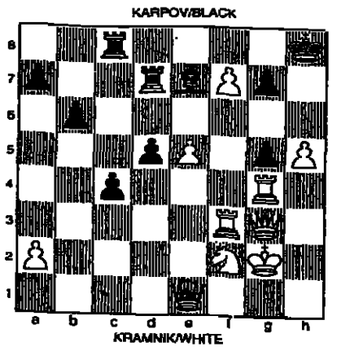
After 30 e4, there was no defense against 31 ef gf 32 e5. Thus, 32...Bg7 33 h6! Bh6 34 Rf6 Kh7 35 Nf4! Qg7 38 Nh5 Qg8 39 Qd3 is annihilating. Therefore Karpov staked everything on counterattack with 30...Qa3.

After 32 f7!, it would not have done any good for Karpov to play 32...Qd4 33 Kh2 Rc8 because 34 Ne5 Rdd8 35 Ng6 Kh7 36 Nf8 Rf8 37 Rg5! Kh8 38 Rg6! Qc5 39 QSh4 Qd6 40 Kh1 Qd8 41 Qh3 denies him any defense to 42 h6! Thus, 42...Kh7 43 Qc3! Qh4 44 Kg1 sets up 45 Qg7 mate.

After 32...Rc8, however, Kramnik charged with 33 d5! ed 34 e5!

Karpov's attempt to dam the tide with 37...Be7 was overwhelmed by Kramnik's 38 Rg5! Bg5 39 f8/Q. There was no need for Karpov to have it spelled out with 39...Rf8 40 Rf8 kh7 41 Qg5 Qb1 42 e6 Rb7 43 e7, and he gave up.

KARPOV/BLACK



KRAMNIK/WHITE

Position after 37 . . . Be7

ENGLISH OPENING

White Kramnik	Black Karpov	White Kramnik	Black Karpov
1 Nf3	Nf6	20 Bc6	Nc6
2 c4	b6	21 Re4	Qd7
3 g3	Bb7	22 Qf3	Bf8
4 Bg2	e6	23 Be3	Na5
5 0-0	Be7	24 g4	Nc4
6 Nc3	d5	25 g5	Ne3
7 Re1	0-0	26 fe	hg
8 cd	Nd5	27 Rg4	Qe7
9 e4	Nc3	28 Rf1	Rd7
10 bc	Nc6	29 Qg3	f6
11 d4	Na5	30 e4	Qa3
12 h4	Re8	31 ef	Qc3
13 h5	h6	32 f7	Re8
14 Ne5	Bd6	33 d5	ed
15 Bf4	Qe7	34 e5	c5
16 Qg4	Kh8	35 Rf3	c4
17 Nd3	Rad8	36 Nf2	Qe1
18 Rad1	Bc6	37 Kg2	Be7
19 e5	Ba3	38 Rg5	Bg5
		39 f8/Q	Resigns

KYOCERA SHOOTS

Herald International Tribune
BUSINESS/FINANCE

CONTAX RTS II
KYOCERA

Price Cuts Dent Rise In Earnings At Hewlett

Compiled by Our Staff From Dispatches

SAN JOSE, California — Hewlett-Packard Co. said Monday that its third-quarter earnings rose 45 percent, well below expectations, as price cuts in computers and printers and product delays in its medical-equipment business ate into profit.

The company said it earned $617 million, or 58 cents a share, in the three months ended July 31, up from $425 million, or 40 cents a share, a year ago. But profits would have risen only 11 percent if the company had not taken a one-time charge of $135 million last year to shed its disk-drive business.

Revenue for the quarter rose 15 percent, to $10.47 billion.

Hewlett-Packard's stock price fell $3, or about 5 percent, in New York trading, to $63.0625.

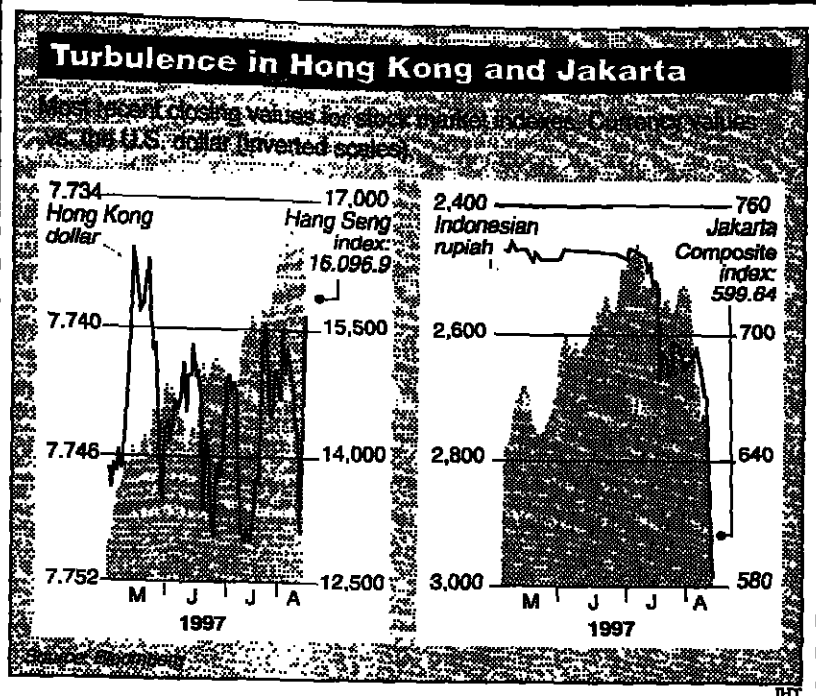
The company's chairman, Lewis Platt, said Hewlett posted healthy gains in orders and revenues from its personal computers, printers and chip-testing equipment. But the company spent more to stimulate demand, including price cuts on its machines.

In addition, third-quarter profits were dampened by delays in shipping medical test equipment because of the introduction of new products.

Those factors reduced what Hewlett-Packard earns from its products, eroding gross margins from 34.8 percent in the second quarter to 32.6 percent in the quarter just ended, said Robert Herwick, president of Herwick Capital Management in San Francisco. "The battle for market share is putting pressure on margins."

During the quarter, Hewlett-Packard enjoyed a 19 percent gain in product orders, led by 25 percent growth in the United States. The company was one of several PC manufacturers to slash prices to increase sales.

The company cut prices on some of its commercial desktop computers by as much as 24 percent after a spate of cuts by Compaq Computer Corp. and others. Hewlett-Packard also reduced printer and workstation prices to try to protect its market share. *(AP, Bloomberg)*



IHT

Asia's Currency Crisis Was Doomed to Spread

By Philip Bowring
International Herald Tribune

NEWS ANALYSIS

HONG KONG — Two of the apparently least likely targets for currency speculators, Indonesia and Hong Kong, came under pressure last week. Indonesia was forced to abandon its band of fluctuation against the dollar and the rupiah promptly fell 8 percent. Since the start of the year it has now fallen 22 percent — almost as much as the Thai baht.

Meanwhile, selling of the Hong Kong dollar, which is formally pegged to the U.S. dollar, forced up local interbank rates and sparked a sell-off in a stock market that until then had been up more than 25 percent this year.

Some Southeast Asian currency adjustment was in the cards given the global strength of the dollar and the weakening of the yen and the South Korean won. But the extent of it has been a surprise. Is this mere sheep-like behavior by foreign-exchange dealers who tend to lump together very different Asian economies? Or is it delivering the message: you may not recognize it, but you have early symptoms of many of Thailand's problems?

The fall of the rupiah was particularly surprising since the currency had absorbed last year's riots in Jakarta with barely a ripple. By no stretch of the imagination can Indonesia's economy be said to be in anything approximating Thai conditions. Its current-account deficit and short-term debt are small by comparison, and its banks are much less exposed to property investments. Its trade account is stable, inflation has been falling and it has a 30-year history of sound macro-management.

Because it is primarily an exporter of commodities, Indonesia has not been significantly hurt by China's dumping of cheap manufactures on world markets. Commodities are dollar-based, so Indonesia is not harmed by a strong dollar.

A 22 percent fall for the rupiah is evidently a serious overshoot. But President Suharto has been wise

See ATTACK, Page 15

Mexico Reports Growth of 8.8%

Economy Surges on Rising Exports and Consumer Spending

Bloomberg News

MEXICO CITY — The Mexican economy expanded at a higher-than-expected annual rate of 8.8 percent in the second quarter as exports rose and consumer spending rebounded, the government announced Monday.

It was the largest quarterly rise in 16 years.

"The number is spectacular, and it is much stronger than we all expected," said Javier Murcio, economist at CS First Boston. "The consumer in Mexico is alive again."

The Finance Ministry said it had forecast an increase of 5.5 percent or more.

The Treasury said growth in the second quarter was aided by the fact that the quarter had more working days than it did last year.

Without the additional working days, gross domestic product would have grown by 7.4 percent for the quarter.

The report puts the government on track to meet or exceed its announced 4.5 percent growth target for the year.

Mexico's GDP rose by an annual rate 5.1 percent in the first quarter. For the first six months of the year, the economy expanded by 7 percent.

The biggest surprise of the robust expansion was the growth in the service industry, which reached 7.7 percent in the second quarter, lifting the sector's growth rate to 6.3 percent in the January-to-June period.

Within the service industry, the transport, warehousing and communications sector showed a 9.3 percent growth rate in the first half. The commerce, restaurant and hotel industries expanded by 8.8 percent.

The financial-services industry grew 5.2 percent in the January-to-June period, while professional services increased 3.8 percent.

Industrial output rose 8.8 percent in the first half, boosted by a growing manufacturing and construction industry, which grew 9.1 percent and 10.2 percent, respectively.

Finally, agricultural industry grew 5.8 percent in the first six months of the year thanks to higher production of corn, wheat, beans, sorghum and fruit, including lemons, apples, pairs and bananas.

Mexico released the second-quarter GDP figures a day ahead of schedule. Analysts said the number might have been released ahead of time to offset investors' concern over the murder of the brother of Mexico's finance minister, Guillermo Ortiz.

Alejandro Ortiz was shot to death Saturday in his car outside his Mexico City home.

Mexican stocks fell Monday as optimism over the GDP report was offset by slumping U.S. stocks and concern that the weekend murder could trigger political instability. In late trading, the Bolsa index was down 87.56 points, or 1.77 percent, at 4,869.05.

The peso was also weaker. The dollar rose to 7.762 pesos in 4 P.M. trading, from 7.755.

"The markets are nervous right now with what's happened with the U.S. market," said Bill Westhof, manager of American Express Co.'s IDS fund. "Investors are looking for reasons to go to the sidelines. You throw a murder in and it's another reason to sell."

After falling more than 3 percent on Friday, the Dow Jones industrial rose more than 100 points late Monday. Many of Mexico's largest companies trade in the United States, so declines on Wall Street can affect the Mexican market.

IBM Computers to Use 'Windows'

Compiled by Our Staff From Dispatches

NEW YORK — International Business Machines Corp. said Monday it would give its powerful business computers the ability to run Microsoft Corp.'s Windows NT software in an effort to regain market share from competing machines that run the popular operating system.

IBM said it was also bolstering the performance of the AS/400 computers, introducing new models designed to help companies conduct business with customers over the Internet.

IBM's AS/400 machines, its midrange line of business computers, currently use the company's proprietary operating system to run networks of desktop machines.

But sales of the machines have dropped recently and company executives have said that is because of rising demand for computers that run Windows NT.

IBM plans to sell equipment early next year that enables users to upgrade existing AS/400 and machines so the computers can run Windows NT applications as well as software made for the IBM operating system.

"We really think there's tremendous growth opportunity for the AS/400," said Bill Zeitler, head of IBM's AS/400 division. "Making it interoperative with Windows NT is just one way to do it."

The new AS/400e models IBM introduced Monday have nearly five times more processing power, and will cost from $8,000 to $1.2 million.

IBM hopes the new line will spark new life into its hardware business, which has endured a sluggish revenue performance this year as the company works through product transitions in several of its high-end lines.

At the same time, IBM hopes to capture a lucrative slice of the market in helping companies capitalize on the changing nature of conducting electronic business.

As with earlier models, the new servers are intended to run virtually out-of-the-box, with operating system and other software loaded before delivery.

IBM has enhanced the offering by loading non-IBM business applications as specified by the customer.

The success of the model, a roughly $5 billion business, is important for IBM, which only recently saw its traditional hardware business cease to provide more than half its total annual revenues. Now, much of the company's growth is coming from its booming, albeit smaller services business.

The turnaround for AS/400 could come soon, Mr. Zeitler said, with full production of the line expected within two weeks and strong customer demand already surfacing.

IBM stock rose $4.0625 to $104.00. *(AFX, AP, Reuters)*

Texaco Deal Will Raise Its Oil Reserves

Compiled by Our Staff From Dispatches

WHITE PLAINS, New York — Texaco Inc. agreed Monday to buy Monterey Resources Inc. for $1.4 billion in stock and assumed debt, increasing its reserves of heavy oil in the western United States.

The deal has Texaco exchanging its common stock for all outstanding shares of Monterey, which will be valued at $21 per share. Texaco also will assume Monterey's existing debt of approximately $285 million.

The deal would immediately increase Texaco's daily production in California by 54,000 barrels to 180,000 barrels, and add 385 million barrels to Texaco's proved reserves, the companies said.

Monterey's share price surged on the news, gaining $5.3125 to $20.375 on the New York Stock Exchange, and Texaco shares edged up 75 cents to $110.75.

"Monterey's existing production and asset base are very complimentary to Texaco's already sizable production of heavy oil in California," said Michael Young, an analyst at Deutsche Morgan Grenfell.

Texaco thinks it can gain a competitive advantage by using new technology to more efficiently find, produce and refine heavy crude. *(Bloomberg, AP)*

INTERNATIONAL STOCKS

Bavarian Duo on Rocks?

Planned Merger of 2 Banks May Face Snag

AFX News

FRANKFURT — The merger of Bayerische Hypotheken- & Wechsel-bank AG and Bayerische Vereinsbank AG looks less likely than was first thought, now that the euphoria that emerged after the deal was announced has died down, analysts said Monday.

Udo Bandow, chairman of Vereins- & Westbank AG, which is managing the deal, signaled that view on Monday when he said Hypobank shareholders had so far been reluctant to respond to the offer, which involves swapping six of their Hypobank shares for one Allianz AG share.

Under the deal, Bayerische Vereinsbank is to buy 45 percent of Hypobank's stock in exchange for shares it owns in Allianz AG, a large insurance company. The bank then plans to raise money to shore up its financial position and later create a single entity with new stock.

Mr. Bandow said he thought the current advertising campaign was not getting the message across, but analysts think there are more fundamental reasons for investor reluctance.

"A lot of people thought the merger itself was quite a positive deal, but now the technicalities are becoming clearer; it's not looking such a sure bet," said Piers Brown, banking analyst at UBS Securities.

On the basis of Hypobank and Allianz share prices before the merger announcement, the six-for-one conversion formula represents a 30 percent premium to Hypobank shareholders.

That premium was designed to compensate Hypobank shareholders for the benefits that would be lost by not having a stake in the merged bank. However, the premium has been factored into Hypobank's share price, and it is by no means certain Hypobank shares would shed this 30 percent if the deal were not to succeed, analysts said.

Furthermore, analysts said many investors were waiting for everybody else to swap their Hypobank shares before doing so themselves in the second phase of the deal, which will only take place if 45 percent of Hypobank shareholders accept the offer.

"Most fund managers are inclined to hold on," said a London-based analyst who did not want to be named. "They are hoping 45 percent will submit, but it won't be them."

The main problem with hanging onto Hypobank shares is that the conversion ratio for the second phase is not known. The Hypobank/Vereinsbank swap ratio will probably be 45 to 55, both banks have said, which fits with the two banks' current book value.

The six-to-one swap formula for the first stage of the deal implies a price for Hypobank of about 69 DM ($37.90) —

See BANKS, Page 15

CURRENCY & INTEREST RATES

Cross Rates

Aug. 18

	$	£	D.M.	F.F.	Lira	D.Fl.	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	2.0525	3.306	1.1261	0.3342	0.1153*	—	5.4525*	1.359	1.7473*	1.477	1.3327*
Brussels	37.995	60.405	20.651	6.127	2.114*	18.3385	—	24.956	32.186	27.09	24.44*
Frankfurt	1.8175	2.923	—	0.2968	0.1023*	0.888	4.8423*	1.2077	1.5440*	1.3102	1.1832*
London (a)	1.6109	—	2.9356	9.8953	2,868.11	3.3057	60.6456	2.433	189.6674	2.2372	248.1833
Madrid	153.94	247.385	84.536	25.085	8.65*	75.071	4.0933	102.085	130.484*	110.972	—
Milan	1,773.75	2,851.55	977.45	293.86	—	867.60	47.369	1,181.25	15.104	1,280.59	11.559
New York (b)	—	1.6062 a	1.8336	6.1705	1,792.00	2.0658	37.78	1.517	118.00	1.3880	154.00
Paris	6.1368	9.859	3.37	—	0.3449*	2.9927	0.1632	4.0648	5.2073*	4.4239	3.987*
Tokyo	117.70	189.73	64.85	19.25	6.665	57.58	3.1412	78.41	—	84.74	0.7662
Toronto	1.3885	2.2373	0.7602	0.2256	0.0778*	0.6749	0.368*	0.9184	1.1769*	—	0.899*
Zurich	1.512	2.4335	0.8294	0.2462	0.085*	0.7366	4.9162*	—	1.2835*	1.0887	0.9821*
1 ECU	1.083	0.6741	1.9771	6.6462	1,977.39	2.2298	40.7389	1.6343	127.653	1.5023	166.695
1 SDR	1.3599	0.8456	2.4717	8.3467	2,420.36	2.7887	50.8587	2.0461	159.386	N.Q.	209.324

Closings in Amsterdam, London, Milan, Paris and Zurich, fixings in other centers; New York rates at 4 P.M. and Toronto rates at 3 P.M.
a: To buy one pound; b: To buy one dollar; *Units of 100; N.Q.: not quoted; N.A.: not available.

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argent. peso	0.9999	Greek drac.	285.65	Mex. peso	7.76	S. Afr. rand	4.6885
Australian $	1.3515	Hong Kong $	7.7409	N. Zealand $	1.5586	S. Kor. won	894.85
Austrian sch.	12.792	Hung. forint	198.05	Norw. krone	7.5742	Swed. krona	7.9655
Brazil real	1.0875	Indian rupee	35.77	Phil. peso	29.58	Taiwan $	28.72
Chinese yuan	8.3119	Indo. rupiah	2880.0	Polish zloty	3.50	Thai baht	32.00
Czech koruna	34.01	Irish £	0.6816	Port. escudo	184.42	Turkish lira	163345
Danish krone	6.921	Israeli shek.	3.5765	Russ ruble	5815.5	UAE dirham	2.6725
Egypt. pound	3.3943	Kuw dinar	0.3028	Saudi riyal	3.75	Venez. boliv.	494.92
Fin. markka	5.4398	Malay. ring.	2.4938	Sing. $	1.516		

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.6028	1.5995	1.5960	Japanese yen	117.27	116.45	115.63
Canadian dollar	1.3842	1.3817	1.3793	Swiss franc	1.5016	1.4968	1.4915
Deutsche mark	1.8152	1.8119	1.8083				

Sources: ING Bank (Amsterdam); Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Banque de France (Paris); Bank of Tokyo-Mitsubishi (Tokyo);

Libid-Libor Rates

Aug. 18

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU
1-month	5 1/2 - 5 5/8	2 15/16 - 3 1/16	1 9/16 - 1 11/16	6 15/16 - 7 1/16	3 7/16 - 3 9/16	7/16 - 9/16	4 3/16 - 4 5/16
3-month	5 5/8 - 5 3/4	3 1/16 - 3 3/16	1 3/8 - 1 1/2	7 1/8 - 7 1/4	3 7/16 - 3 9/16	1/2 - 9/16	4 3/16 - 4 5/16
6-month	5 11/16 - 5 13/16	3 1/8 - 3 1/4	1 7/16 - 1 9/16	7 1/8 - 7 1/4	3 5/16 - 3 7/16	1/2 - 5/8	4 5/16 - 4 7/16
1-year	5 13/16 - 5 15/16	3 1/2 - 3 5/8	1 11/16 - 1 13/16	7 3/8 - 7 1/2	3 3/8 - 3 1/2	9/16 - 11/16	4 3/8 - 4 1/2

Sources: Reuters, Lloyds Bank.
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates

United States	Close	Prev
Discount rate	5.00	5.00
Prime rate	8 1/2	8 1/2
Federal funds	5 1/2	5 5/8
90-day CDs dealers	5.59	5.60
180-day CP dealers	5.52	5.52
3 month Treasury bill	5.11	5.14
1-year Treasury bill	5.20	5.24
2-year Treasury bill	5.80	5.84
5-year Treasury note	6.04	6.09
7-year Treasury note	6.11	6.16
10-year Treasury note	6.20	6.25
30-year Treasury bond	6.52	6.54
Merrill Lynch 30-day RA	5.13	5.12
Japan		
Discount rate	0.50	0.50
Call money	0.42	0.41
1-month interbank	0.49	0.54
3-month interbank	0.54	0.60
6-month interbank	0.57	0.61
10-year Govt bond	2.32	2.33
Germany		
Lombard rate	4.50	4.50
Call money	3.05	3.10
1-month interbank	3.10	3.19
3-month interbank	3.19	3.28
6-month interbank	3.35	3.44
10-year Bund	5.89	5.69

Britain		
Bank base rate	7.00	7.00
Call money	7 1/4	7 1/8
1-month interbank	7 1/8	7 1/8
3-month interbank	7 5/16	7 5/16
6-month interbank	7 1/4	7 1/4
10-year Gilt	7.01	7.04
France		
Intervention rate	3.10	3.10
Call money	3 5/16	3 5/16
1-month interbank	3 1/4	3 1/4
3-month interbank	3 5/16	3 3/8
6-month interbank	3 7/16	3 1/2
10-year OAT	5.55	5.59

Sources: Reuters, Bloomberg, Merrill Lynch, Bank of Tokyo-Mitsubishi, Commerzbank, Credit Lyonnais.

Gold

	A.M.	P.M.	Ch'ge
Zurich	326.65	322.90	—1.35
London	326.05	322.60	—2.05
New York	330.40	324.70	—4.40

U.S. dollars per ounce. London official fixings; Zurich and New York opening and closing prices; New York Comex (Dec.)
Source: Reuters.

PRIVATE BANKING

Bull

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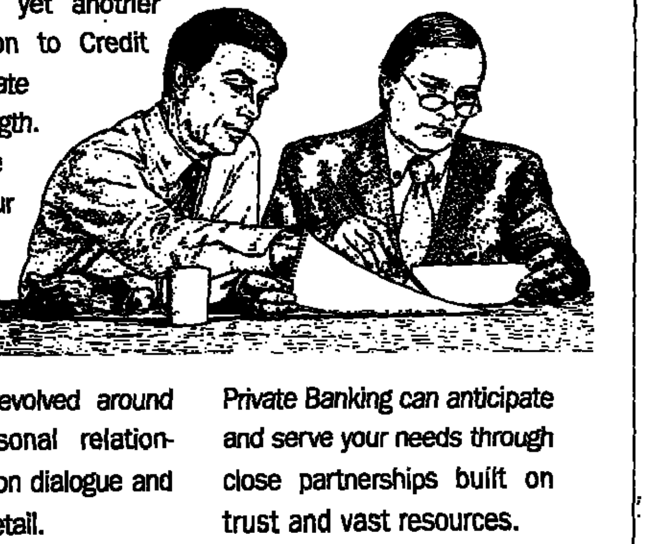

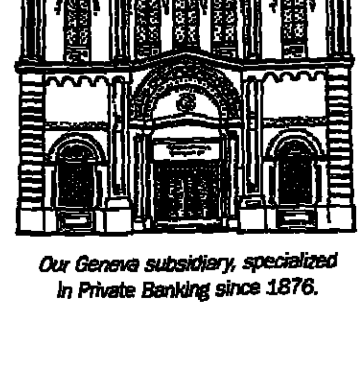
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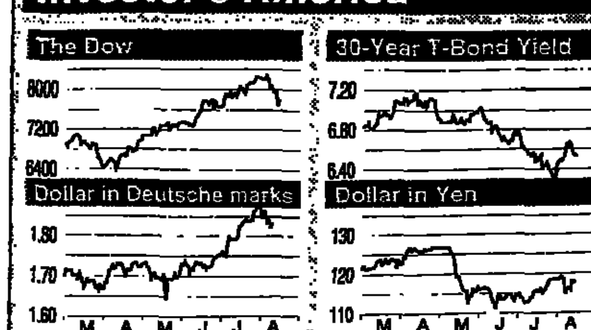
THE AMERICAS

Investor's America



Exchange	Index	Monday @4PM	Prev. Close	% Change
NYSE	The Dow	7803.36	7694.66	+1.41
NYSE	S&P 500	912.49	900.81	+1.30
NYSE	S&P 100	887.78	869.36	+2.12
NYSE	Composite	473.55	469.10	+0.95
U.S.	Nasdaq Composite	1569.53	1562.03	+0.48
AMEX	Market Value	634.59	635.51	-0.14
Toronto	TSE Index	6649.70	6697.80	-0.72
São Paulo	Bovespa	11132.03	11481.31	-2.62
Mexico City	Bolsa	4933.77	4969.85	-0.73
Buenos Aires	Merval	838.71	843.36	-0.55
Santiago	IPSA General	5586.60	5613.62	-0.48
Caracas	Capital General	Closed	9232.07	

Source: Bloomberg, Reuters International Herald Tribune

Young Workers Turn to Unions

The Associated Press

SAN FRANCISCO — They're 20, they're hip, and — more and more often — they're unionized.

A growing number of young employees in the United States are demanding higher wages and better benefits from what might seem like unlikely sources.

Their employers include the coffee-shop chain Starbucks, Borders Books & Music and Noah's Bagels restaurants, all companies that have prided themselves on progressive, employee-friendly policies.

Each company, however, has gone public. Union members said that had made company executives more beholden to shareholders and less attentive to employees, creating a need for workers to organize.

"After three or four years, all we really have is credit card debt," says Chris Grant, a 25-year-old book clerk at Borders who helped form a union at the store in Chicago where he has worked for two and a half years.

Though they have not negotiated a contract, employees also have organized unions at Borders stores in Des Moines, Iowa; Bryn Mawr, Pennsylvania, and New York.

The idea appears to be catching on. Employees at a handful of Starbucks Corp. stores in Vancouver, British Columbia, organized last fall, winning a new contract with better wages.

And, in July, Einstein/Noah's Bagel Corp. agreed to recognize a union in Berkeley, California, after months of legal challenges.

"We're not out to gouge the company or ask for the sky," says Joshua Smith, 25, who has worked for Noah's for four years.

But, he said, things changed after the company's founder, Noah Alper, sold his chain in 1996. Based on customer complaints, the new owners instituted what some employees considered "conservative" policies, including limiting the types of facial piercings employees could have.

And more importantly, said Mr. Smith — who has no piercings — the company cut back on health benefits. "We wanted to insert some stability," he said.

As a result, in a secret-ballot election, the employees voted 13 to 1 to join the United Food & Commercial Workers Local 870. Earlier this month, the fledgling union handed the company's management a three-page contract asking for full benefits for part-timers and higher wages. They said they would deal with the piercing issue later, though in the meantime several employees have removed their piercings or gotten smaller ones.

Executives from Einstein/Noah's said the union in Berkeley and another that is forming at a nearby store were anomalies.

"I just don't think it fits the lifestyle of most of our employees," said Gary Gerdemann, a company spokesman.

Most employees, he added, preferred a flexible schedule to high salaries and stellar benefits.

But higher salaries and better benefits are what Borders' employees are asking for. In addition to more health benefits, they want a starting wage of $7 an hour instead of $6.50 and the right to work 40 hours a week instead of 37.5.

Borders Group Inc. would not comment.

Union members said the wages were only fair. They said that many workers were college graduates turning service-industry jobs into careers.

Bundesbank Official Helps Dollar Advance

Compiled by Our Staff From Dispatches

NEW YORK — The dollar rose against most major currencies on Monday after a German central bank official quashed expectations the Bundesbank will raise interest rates soon to defend the mark.

Hans Juergen Krupp, a Bundesbank council member, said growth was not expanding fast enough to warrant higher interest rates, a move he said would be "highly damaging" to the economy.

"All things being equal, they won't do anything," said John Mc

FOREIGN EXCHANGE

Carthy of ING Baring Capital Markets. "They enjoy talking, and that's all they'll do."

A rate increase in Germany would increase returns on mark-denominated deposits, offering investors an incentive to hold the German currency, but it would also make borrowing more expensive for companies and consumers, potentially stifling Germany's fragile recovery.

Meanwhile, in a monthly report released Monday, the German Bankers' Association said, "Speculation about a cautious German monetary policy tightening has faded somewhat into the background in view of the light stabilization of the Deutsche mark against the dollar and sterling."

In 4 P.M. trading, the dollar was at 1.8335 DM, up from 1.8204 DM at the close on Friday. It rose to 118.00 yen from 117.585 yen.

The dollar was supported against the yen by a report that Japan's trade surplus rose less than analysts expected in July.

The Federal Reserve Board's Open Market Committee also meets Tuesday to set U.S. monetary policy. Many in the market expect the Fed to leave rates alone as recent evidence has shown that inflation remains subdued, though U.S. growth has been steady.

"We think there's more chance of a surprise at the September meeting, where there's a good chance of a 25 basis-point rise," said Mark Hale, senior economist at Sakura Finance International. "We think there will be no change in rates this week."

Against other major currencies, the dollar rose to 6.1705 French francs from 6.1425, and to 1.5170 Swiss francs from 1.5065. The pound fell to $1.6062 from $1.6093.

The Hong Kong dollar was little changed after a top central banker threatened to drive up interest rates to "burn" speculators betting the currency would soon lose value.

Speculation rose last week that Hong Kong might let its currency float freely. The U.S. dollar is currently pegged at 7.7 Hong Kong dollars. Speculators who expect a currency to lose value often borrow, then sell, large amounts of it in hopes they will buy it back at lower prices later.

On Friday, in one-year forward trading, a reflection of the currency's projected future value, the U.S. dollar rose to a 10-year high of 7.9 Hong Kong dollars.

Meanwhile, Kenya's shilling slid to an official intraday low against the dollar on Monday as political and economic instability continued to weigh on the market.

Commercial bank dealers in Nairobi said the shilling edged up 1 percent to close at 69.99 to the dollar after touching a low of 70.68.

The shilling has dropped 18 percent against the dollar since the International Monetary Fund, citing corruption, canceled a key aid package on July 31. *(Bloomberg, Reuters, Bridge News)*

Very briefly:

- The Teamsters announced new actions to strengthen their pickets as the union and **United Parcel Service of America Inc.** returned to the bargaining table; the announcement dampened speculation that a deal was imminent.
- *Toys 'R' Us Inc.* earned $36.7 million in the second quarter, beating estimates and rebounding from a $7.5 million loss a year ago. Sales rose 15 percent to $1.99 billion.
- **Amdahl Corp.** shareholders filed 10 lawsuits in Delaware to stop **Fujitsu Ltd.** from acquiring the computer maker, claiming the $12 a share, $850 million bid is too low.
- **Golden State Bancorp,** formerly known as Glendale Federal Bank, agreed to acquire **Cenfed Financial Corp.** for $210 million in stock. Cenfed operates in the Los Angeles area.
- **Designs Inc.** said it planned to liquidate its Boston Traders brand and close 33 stores, or 21 percent of its chain, to focus on selling Levi's and Dockers casual wear.
- **Cornerstone Properties Inc.** of New York said it would pay $1.06 billion to a Dutch pension fund for 11 office buildings, making it one of the largest publicly held commercial real estate companies. *Reuters, Bloomberg*

STOCKS: *Dow Rebounds After Slump in Europe and Asia*

Continued from Page 1

to close with a loss of only 2.93 percent.

In both Malaysia and the Philippines, stock prices slid 3.3 percent. But Tokyo, Asia's largest market, fared well as the Nikkei index of 225 stocks closed only 1.47 percent lower. Only Hong Kong escaped the trend with its markets closed for a holiday.

In the absence of any hard new economic news, and in the middle of what is traditionally the slowest month of the year, strategists from New York to Milan insisted that there was little to worry about in the stock markets' new downward drift.

"None of the macroeconomic fundamentals have changed, so the consensus in Europe is that this should be viewed as a buying opportunity," said Bryan Allworthy, equity strategist with Merrill Lynch in London.

Underpinning such optimism in Europe is the expectation that pretax corporate profits for Continental companies will rise 27 percent on average this year. Mr. Allworthy said that even that bullish forecast was too meek. He predicted gains well into "the thirties," and said Europeans would finish with some of the biggest profitability gains of any region in the world next year as well.

Back on Wall Street, investors have only in the past couple of weeks begun to worry that more than five years of sharp earnings gains may be ebbing. Recent surprise warnings of a slower gravy train pummeled the share prices of two of the market's long-time favorites — Coca-Cola Co. and Gillette Co. — last week.

Any hope that such disappointments might be confined to the so-called Nifty Fifty, the big blue-chip companies, evaporated quickly on Monday morning when Hewlett-Packard Co. posted disappointing earnings. Many analysts point to such company-specific corrections as proof of the health of America's now aging bull market.

But after a steep climb that took the Dow on Aug. 6 to a peak that was 25 percent above its year-end levels, many observers say a pause or even a correction of 10 percent or so would hardly be out of place.

Few analysts say that Friday's losses lit the fuse for a financial panic, or even signaled anything but a brief pause in the market's momentum. For the bears, the forage remains far too scarce, most analysts say.

Economies in both the United States and Europe are growing and inflation is low. In America, that benign state of affairs is mirrored in the widespread faith that when the Federal Reserve Board's Open Market Committee meets on Tuesday, it will again opt to keep interest rates where they are.

U.S. bonds rose for the third of the past four days amid expectations that subdued inflation would allow the Fed to hold bank rates steady in the near term.

The price of the benchmark 30-year Treasury bond rose 11/32 to 98 5/32, pushing its yield down to 6.52 percent from 6.54 percent on Friday. Some analysts said bonds got a lift from the falling stock market as investors sought the safe haven of government securities, Bloomberg News reported.

The Nasdaq composite index, which contains many computer-related issues, rose 7.49 points to 1,569.52. Intel was the most active issue, rising 2 7/16 to 94 9/16.

The Standard & Poor's 500-stock index rose 11.68 points to 912.49.

Dart Reaches Pact With Members of Founder's Family

The Associated Press

LANDOVER, Maryland — The board of Dart Group Corp. has reached a multimillion-dollar settlement with three members of the family that founded the retail company.

If approved by Dart's board of directors, the settlement would mean the end of a pending claim by Robert, Gloria and Linda Haft to control Dart, the parent company of the Crown Books, Trak Auto and Shoppers Food Warehouse chains.

Under the settlement announced Sunday, Dart would purchase shares in Dart from three family members. It would also terminate their options to buy additional shares of Dart. The three family members would be paid $41 million.

Dart said it was also working on settlement with another family member, Ronald Haft, and with the company's founder and chairman, Herbert Haft.

Weekend Box Office

The Associated Press

LOS ANGELES — "Cop Land" dominated the U.S. box office over the weekend, with a gross of $13 million. Following are the Top 10 moneymakers, based on Friday's ticket sales and estimated sales for Saturday and Sunday.

1. Cop Land	(Miramax)	$13.0 million
2. Air Force One	(Columbia Pictures)	$12.6 million
3. Conspiracy Theory	(Warner Bros.)	$12.3 million
4. Event Horizon	(Paramount)	$9.5 million
5. Spawn	(New Line Cinema)	$5.1 million
6. George of the Jungle	(Walt Disney)	$4.8 million
7. Men In Black	(Columbia Pictures)	$4.3 million
8. Picture Perfect	(Twentieth Century-Fox)	$3.3 million
9. Contact	(Warner Bros.)	$2.8 million
10. How to Be a Player	(Polygram)	$2.4 million

AMEX

Monday's 4 P.M. Close

The top 300 most active shares, up to the closing on Wall Street.

The Associated Press.

Stock	Sales	High	Low	Latest	Chge
[illegible]					

U. S. STOCK MARKET DIARY

Indexes

Dow Jones

	Open	High	Low	Last	Chg.
Indus	7732.52	7803.36	7618.47	7803.36	+108.70
Trans	2868.49	2874.03	2848.83	2873.53	+8.57
Util	228.70	230.37	227.77	230.37	+1.86
Comp	2411.79	2428.09	2385.62	2427.97	+24.11

Standard & Poors

	High	Low	Previous Close	Today 4:00
Industrials	—	—	1058.40	1072.61
Transp.	—	—	648.26	654.93
Utilities	—	—	194.71	197.05
Finance	—	—	104.08	105.23
SP 500	—	—	900.81	912.49
SP 100	—	—	869.36	887.78

NYSE

	High	Low	Last	Chg.
Composite	473.59	465.50	473.55	+4.45
Industrials	597.98	587.11	597.93	+6.35
Transp.	432.52	428.88	432.58	+1.80
Utility	285.38	281.02	285.36	+1.34
Finance	441.65	434.99	441.58	+3.43

Nasdaq

	High	Low	Last	Chg.
Composite	1569.53	1545.50	1569.52	+7.49
Industrials	1245.57	1233.55	1243.95	+0.25
Banks	1704.72	1685.99	1694.51	-3.12
Insurance	1694.86	1684.02	1689.51	-4.63
Finance	2025.97	2007.77	2018.13	-2.49
Transp.	1017.14	1000.97	1004.93	-10.59

AMEX

High	Low	Last	Chg.
635.53	631.65	634.59	-0.92

Dow Jones Bond

	Previous Close	Today Noon
20 Bonds	104.24	104.19
10 Utilities	101.83	101.76
10 Industrials	106.66	106.63

Most Actives

NYSE

	Vol.	High	Low	Last	Chg.
MontryR n	79729	20 7/8	20 1/2	20 3/4	+5 1/16
HewlettPk	77420	65 1/2	61 1/4	63 15/16	-2 1/4
GenElec s	76451	66	62 3/4	66	+7 1/8
Pfizer s	71361	52 7/8	51 1/8	52 1/4	-1/2
PhilMor s	64016	45 1/8	43 1/2	44 7/8	-1/4
CocaCl	63706	60 3/4	58 1/8	60 1/2	+1 1/4
Compaq s	57227	58 1/2	56 1/2	58 3/8	+1 3/4
PepsiCo	54983	36 1/4	34 7/8	36 1/4	+1/2
Gillette	53110	85 7/8	80 1/2	83	-2 7/8
AT&T s	51969	40 1/2	39	40 1/2	+1 7/8
K mart	51792	13 1/4	12 7/8	12 15/16	+1/16
MicrnT	51627	44 3/4	42 1/8	44 7/8	+1 7/8
IBM s	49596	104	99 3/4	104	+4 1/8
Merck	42575	93 3/4	91	93 3/4	+2 3/4
AMD	41471	42 3/4	36 3/4	42 1/2	+5

Nasdaq

	Vol.	High	Low	Last	Chg.
Intel s	198987	94 3/4	89 3/4	94 9/16	+2 7/16
3Com	99542	54 1/4	51 1/4	53 3/4	-7/8
GeronCp	89748	17 3/4	15	16 7/8	+2 1/8
Microsft s	86945	133 7/8	131	133 7/8	+1
TeleCom A	85259	18 7/16	18 1/4	18 3/8	+1/8
DellCpt s	80963	83 3/4	81 1/2	82 3/4	+1/2
Ascend	78598	45 1/2	43 3/4	44 3/4	-1/8
Cisco	72772	76 1/2	73 1/4	76 1/4	+1 1/8
Amylin	70486	10	7 7/8	8 1/2	-6 1/2
Amgen	59260	49 1/2	47 3/4	49 1/4	+1 1/4
McAfee	56224	57	52 3/4	55 1/2	-3 1/4
ApldMat	52180	99 3/4	95 1/2	99 1/4	+2 7/8
MCI	51985	34	32 1/2	33 3/4	+1 1/8
Oracle s	50742	38 1/2	36 1/4	38 1/2	+1 1/4
Novell	46515	8 3/4	8	8 1/2	+1/2

AMEX

	Vol.	High	Low	Last	Chg.
SPDR	54062	91 3/4	89 9/16	91 15/16	+1 1/8
Amdahl	8165	11 5/8	11 1/8	11 9/16	—
TWA	7497	7 1/4	6 3/4	7	-1/4
ViacB	5493	30	29 7/8	29 15/16	+1/8
Nabors	4709	30 1/4	29 9/16	29 15/16	+1/8
VistaG g	4630	1/2	1/2	1/2	—
Andrea	4268	24	21	23 1/4	-3 1/4
Harken	3331	5 1/2	5 3/8	5 1/2	—
IvaxCp	2726	9 7/8	9	9 3/4	+1/8
XCL Ltd	2848	1/4	1/4	1/4	+1/16

Trading Activity

NYSE

	Close	Prev.
Advanced	1415	731
Declined	1475	2150
Unchanged	524	503
Total issues	3414	3384
New Highs	64	62
New Lows	30	24

Nasdaq

	Noon	Prev.
Advanced	1473	1611
Declined	1853	2422
Unchanged	2136	1723
Total issues	5462	5756
New Highs	68	124
New Lows	63	55

AMEX

	Close	Prev.
Advanced	243	188
Declined	336	340
Unchanged	162	184
Total issues	741	712
New Highs	23	19
New Lows	11	10

Market Sales

	Today 4:00	Prev. cons.
NYSE	518.99	630.09
Amex	20.28	25.82
Nasdaq	511.19	540.24

In millions.

Dividends

Company	Per	Amt	Rec	Pay
IRREGULAR				
Current Inco Shrs	-	.0675	8-28	9-10
Reed Intl	b	.3475	8-22	10-14
Sedgwick Group	b	.2376	8-22	10-30
STOCK SPLIT				
Applied Industl 3 for 2 split.				
Chicago Rivet 2 for 1 split.				
Raychem Corp 2 for 1 split.				
INCREASED				
Chicago Rivet	Q	.36	9-5	9-19
USB Holding	Q	.11	9-30	10-15
Vista Bancorp	Q	.11	9-2	10-10
OMITTED				
Realty Refund Tr		-		
SPECIAL				
Fedl Screw	-	1.60	9-5	10-1
INITIAL				
Family Dollar n	-	.08	9-15	10-15
Hemlock Fedl	-	.06	8-22	9-8
MSB Fincl n	-	.07	8-29	9-15
REGULAR				
Abitibi-Consol g	-	.10	9-2	10-1
Am Balanced Fd	Q	.14	8-15	8-18
Apache Corp	Q	.07	9-30	10-31
Aquila Gas	Q	.0125	8-27	9-12
Badger Meter	Q	.123	8-29	9-15
Cigna Hi Income	M	.0675	8-28	9-10
Commerce Grp	Q	.26	9-5	9-19
Dart Group A	Q	.0333	8-27	9-12
Ecolab Inc	Q	.16	9-16	10-15
Fst Bcp Vincennes	Q	.10	8-29	9-15
Gt Am Bancorp	Q	.10	9-15	10-1
Income Fd Amer	Q	.20	9-19	9-22
La Quinta Inns	Q	.0175	9-3	9-15
Lincoln Elec A	x	.15	9-30	10-15
Monarch Machine	Q	.05	8-25	9-2
Pacific Am Inco	Q	.295	8-28	9-15
Pitt Des Moines	Q	.275	9-12	9-26
Scientific Tech	Q	.0425	8-27	9-9
Templeton GlbGv	M	.05	8-29	9-15
Texas Util	Q	.525	9-5	10-1
Transocean Offshr	Q	.06	9-5	9-19
US Lime	Q	.025	9-2	9-15
Varian Assoc	Q	.09	9-5	10-1
Virginia Fst	Q	.025	8-26	9-2
Washington Water	Q	.31	8-25	9-15
Wausau Paper	Q	.0625	9-12	10-1
Whitman Corp	Q	.115	9-9	10-1

a-annual; b-approximate amount per share/ADR; g-payable in Canadian funds; m-monthly; q-quarterly; s-semi-annual

Stock Tables Explained

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the years high-low range and dividend are shown for the new stocks only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration. a - dividend also extra (s). b - annual rate of dividend plus stock dividend. c - liquidating dividend. cc - PE exceeds 99. cld - called. d - new yearly low. dd - loss in the last 12 months. e - dividend declared or paid in preceding 12 months. f - annual rate, increased on last declaration. g - dividend in Canadian funds, subject to 15% non-residence tax. i - dividend declared after split-up or stock dividend. j - dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k - dividend declared or paid this year, an accumulative issue with dividends in arrears. m - annual rate, reduced on last declaration. n - new issue in the past 52 weeks. The high-low range begins with the start of trading. nd - next day delivery. p - initial dividend, annual rate unknown. P/E - price-earnings ratio. q - closed-end mutual fund. r - dividend declared or paid in preceding 12 months, plus stock dividend. s - stock split. Dividend begins with date of split. sls - sales. t - dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u - new yearly high. v - trading halted. vi - in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies. wd - when distributed. wi - when issued/ ww - with warrants. x - ex-dividend or ex-rights. xdis - ex-distribution. xw - without warrants. y- ex-dividend and sales in full. yld - yield. z - sales in full.

INTERNATIONAL FUTURES

Aug. 18, 1997

Grains

CORN (CBOT) 5,000 bu minimum- cents per bushel

	High	Low	Latest	Chge	OpInt
Sep 97	261	256	260 3/4	+1/4	38,836
Dec 97	264 1/4	258 3/4	263 1/2	+1	162,580
Mar 98	272 1/4	266 1/4	271 3/4	+1	38,554
May 98	276 3/4	274	276 3/4	+1 1/4	10,048
Jul 98	279 3/4	277 1/4	279 3/4	+1 1/2	16,524
Sep 98	262 1/2	260	262	+4	1,585
Dec 98	262 3/4	260	262 3/4	+1 1/2	8,277

Est. sales N.A. Fri's sales 48,516
Fri's open int 276,504, up 1,913

SOYBEAN MEAL (CBOT) 100 tons- dollars per ton

	High	Low	Latest	Chge	OpInt
Aug 97	263.50	259.00	263.20	+1.70	5,256
Sep 97	230.80	227.80	230.40	-0.40	25,445
Oct 97	208.00	205.50	207.30	-0.90	15,990
Dec 97	199.30	197.00	198.70	-0.60	41,310
Jan 98	195.80	194.00	195.30	-0.80	6,454
Mar 98	193.00	190.80	191.80	-0.20	8,412

Est. sales N.A. Fri's sales 21,625
Fri's open int 109,557, up 1,125

SOYBEAN OIL (CBOT) 60,000 lbs- cents per lb

	High	Low	Latest	Chge	OpInt
Aug 97	22.32	22.16	22.18	-0.19	612
Sep 97	22.44	22.19	22.26	-0.22	19,447
Oct 97	22.62	22.38	22.45	-0.20	14,631
Dec 97	22.95	22.67	22.78	-0.18	46,122
Jan 98	23.05	22.89	22.96	-0.20	7,622
Mar 98	23.40	23.13	23.21	-0.24	5,260

Est. sales N.A. Fri's sales 22,431
Fri's open int 98,352, off 1,161

SOYBEANS (CBOT) 5,000 bu minimum- cents per bushel

	High	Low	Latest	Chge	OpInt
Aug 97	798	775	785 1/2	-6 1/4	2,877
Sep 97	655	646	650 3/4	-5 1/4	15,165
Nov 97	611	602	608	-3 1/4	81,671
Jan 98	614 1/2	607	611 1/4	-3	17,001
Mar 98	623	614 1/4	622 1/4	-2 1/2	6,188

Est. sales N.A. Fri's sales 42,454
Fri's open int 133,576, off 533,889

WHEAT (CBOT) 5,000 bu minimum- cents per bushel

	High	Low	Latest	Chge	OpInt
Sep 97	359 1/2	353	357 1/2	+3 1/4	24,945
Dec 97	374 1/4	367 1/2	372 3/4	+3 1/4	54,695
Mar 98	386	381	384 3/4	+3	16,014
May 98	389 1/2	385	387 1/2	+1/2	1,683

Est. sales N.A. Fri's sales 18,731
Fri's open int 103,989, off 551

Livestock

CATTLE (CMER) 40,000 lbs.- cents per lb.

	High	Low	Latest	Chge	OpInt
Aug 97	67.20	66.20	66.42	-0.80	5,078
Oct 97	69.90	68.70	68.70	-1.50	50,892
Dec 97	71.55	70.67	70.77	-1.40	21,165
Feb 98	73.22	72.45	72.75	-0.82	11,219
Apr 98	75.00	74.50	74.75	-0.50	4,815
Jun 98	71.80	71.35	71.50	-0.42	2,789

Est. sales 16,191 Fri's sales 11,972
Fri's open int 96,320, up 124

FEEDER CATTLE (CMER) 50,000 lbs.- cents per lb.

	High	Low	Latest	Chge	OpInt
Aug 97	80.75	80.15	80.42	-0.25	4,411
Sep 97	80.85	80.00	80.20	-0.40	3,971
Oct 97	80.97	80.10	80.27	-0.65	6,976
Nov 97	82.20	81.35	81.42	-0.77	3,950
Jan 98	82.55	81.80	82.07	-0.32	2,026
Mar 98	82.30	81.77	81.95	-0.25	1,000

Est. sales 4,160 Fri's sales 3,259
Fri's open int 22,887, off 436

HOGS-Lean (CMER) 40,000 lbs.- cents per lb.

	High	Low	Latest	Chge	OpInt
Aug 97			79.15	unch.	4,923
Oct 97	70.75	69.57	69.85	-1.17	17,160
Dec 97	67.70	66.40	66.55	-1.15	6,415
Feb 98	66.75	65.50	65.60	-0.92	2,486
Apr 98	62.70	62.10	62.12	-0.45	1,585

Est. sales 9,282 Fri's sales 7,053
Fri's open int 34,578, up 344

PORK BELLIES (CMER) 40,000 lbs.- cents per lb.

	High	Low	Latest	Chge	OpInt
Aug 97	83.50	81.20	82.30	-1.20	739
Feb 98	72.40	69.77	69.95	-1.67	3,615
Mar 98	72.00	69.65	69.85	-1.95	128

Est. sales 1,907 Fri's sales 1,242
Fri's open int 4,532, up 40

Food

COCOA (NCSE) 10 metric tons- $ per ton

	High	Low	Latest	Chge	OpInt
Sep 97	1548	1495	1543	+55	2,464
Dec 97	1569	1528	1562	+51	38,315
Mar 98	1597	1558	1591	+44	25,686
May 98	1612	1581	1612	+44	12,290
Jul 98	1638	1626	1632	+44	2,462
Sep 98	1654	1625	1654	+44	3,901

Est. sales 9,524 Fri's sales 11,370
Fri's open int 98,429, off 1,927

COFFEE C (NCSE) 37,500 lbs.- cents per lb.

	High	Low	Latest	Chge	OpInt
Sep 97	181.00	163.25	180.20	+2.25	5,372
Dec 97	164.00	158.50	162.95	+1.10	8,469
Mar 98	147.00	144.00	147.00	+0.90	2,884
May 98	141.50	139.00	141.50	+0.90	1,159
Jul 98	137.00	134.40	137.00	+0.40	804

Est. sales 5,150 Fri's sales 5,997
Fri's open int 20,058, off 566

SUGAR-WORLD 11 (NCSE) 112,000 lbs.- cents per lb.

	High	Low	Latest	Chge	OpInt
Oct 97	11.89	11.72	11.82	-0.04	99,510
Mar 98	12.02	11.93	12.00	-0.05	64,483
May 98	11.97	11.88	11.94	-0.06	14,554
Jul 98	11.86	11.80	11.85	-0.05	9,094

Est. sales 17,286 Fri's sales 35,667
Fri's open int 194,924, up 4,671

ORANGE JUICE (NCTN) 15,000 lbs.- cents per lb.

	High	Low	Latest	Chge	OpInt
Sep 97	70.00	66.85	67.20	-1.70	14,137
Nov 97	72.00	68.30	68.80	-2.30	11,324
Jan 98	74.70	71.50	71.70	-2.20	5,301
Mar 98	77.30	74.60	74.70	-1.90	3,493

Est. sales N.A. Fri's sales 13,623
Fri's open int 35,793, up 1

Metals

GOLD (NCMX) 100 troy oz.- dollars per troy oz.

	High	Low	Latest	Chge	OpInt
Aug 97	325.50	321.00	321.10	-4.60	552
Oct 97	327.50	322.60	322.90	-4.70	15,675
Dec 97	330.90	324.50	324.70	-4.80	119,563
Feb 98	331.00	326.40	326.40	-4.90	14,102
Apr 98	330.20	328.20	328.20	-5.00	5,342
Jun 98	333.00	330.30	330.30	-5.00	7,454
Aug 98			332.50	-5.10	3,106
Oct 98	335.50	334.70	334.70	-5.10	109

Est. sales 31,000 Fri's sales 35,569
Fri's open int 205,688, up 4,728

HI GRADE COPPER (NCMX) 25,000 lbs.- cents per lb.

	High	Low	Latest	Chge	OpInt
Aug 97	99.30	96.50	96.50	-2.90	1,865
Sep 97	100.00	96.45	96.70	-3.30	20,702
Oct 97	99.30	96.90	96.90	-3.10	1,708
Nov 97	99.00	96.80	96.80	-2.95	1,437
Dec 97	99.40	96.65	96.80	-2.80	10,144
Jan 98	98.60	97.10	97.10	-2.40	698
Feb 98	98.60	96.65	96.65	-2.40	636
Mar 98	98.40	96.35	96.35	-2.35	2,532
Apr 98	98.20	95.85	95.85	-2.15	435

Est. sales 13,000 Fri's sales 18,379
Fri's open int 45,411, up 912

SILVER (NCMX) 5,000 troy oz.- cents per troy oz.

	High	Low	Latest	Chge	OpInt
Aug 97	449.20	446.00	449.20	-5.90	
Sep 97	457.00	440.50	450.20	-5.80	48,213
Oct 97			453.90	-5.80	78
Dec 97	465.00	453.50	456.80	-5.80	23,145
Jan 98	460.00	458.40	458.40	-5.80	20
Mar 98	467.00	460.00	463.30	-5.80	10,651
May 98	470.00	467.40	467.40	-5.80	3,072
Jul 98	471.40	447.00	471.40	-5.80	2,161

Est. sales 10,000 Fri's sales 23,744
Fri's open int 92,664, up 1,374

PLATINUM (NMER) 50 troy oz.- dollars per troy oz.

	High	Low	Latest	Chge	OpInt
Aug 97	450.00	450.00	450.00	unch.	
Oct 97	425.00	412.50	416.40	-11.10	11,505
Jan 98	415.00	408.00	408.90	-10.60	2,593
Apr 98	410.00	403.40	403.40	-10.60	424

Est. sales N.A. Fri's sales 2,176
Fri's open int 14,523, up 14,522

LONDON METALS (LME) Dollars per metric ton

	Close		Previous	
Aluminum (High Grade)				
Spot	1740.00	1750.00	1734.00	1735.00
Forward	1675.00	1680.00	1701.00	1702.00
Copper Cathodes (High Grade)				
Spot	2158.00	2160.00	2246.00	2248.00
Forward	2162.00	2163.00	2248.00	2250.00
Lead				
Spot	596 1/2	597 1/2	605.00	606.00
Forward	610.00	611.00	616.00	617.00
Nickel				
Spot	6580.00	6585.00	6565.00	6570.00
Forward	6685.00	6690.00	6660.00	6670.00
Tin				
Spot	5325.00	5330.00	5365.00	5375.00
Forward	5375.00	5378.00	5410.00	5420.00
Zinc (Special High Grade)				
Spot	1630.00	1633.00	1681.00	1684.00
Forward	1491.00	1493.00	1526.00	1528.00

Financial

US T BILLS (CMER) $1 million- pts of 100 pct.

	High	Low	Close	Chge	OpInt
Sep 97	94.97	94.95	94.95	+0.03	7,510
Dec 97	94.89	94.86	94.86	+0.02	2,232
Mar 98	94.83	94.83	94.83	+0.05	809

Est. sales N.A. Fri's sales 976
Fri's open int 10,551, up 288

5 YR TREASURY (CBOT) $100,000 prin- pts & 64ths of 100 pct

	High	Low	Close	Chge	OpInt
Sep 97	107-26	107-07	107-18	+ 14	213,488
Dec 97	107-08	106-58	107-02	+ 14	19,624

Est. sales N.A. Fri's sales 38,639
Fri's open int 233,112, up 2,339

10 YR TREASURY (CBOT) $100,000 prin- pts & 32nds of 100 pct

	High	Low	Close	Chge	OpInt
Sep 97	109-29	109-14	109-23	+ 10	338,211
Dec 97	109-20	109-08	109-14	+ 10	78,740
Mar 98			109-04	+ 10	1,944

Est. sales N.A. Fri's sales 106,639
Fri's open int 418,895, up 4,547

US TREASURY BONDS (CBOT) (8 pct-$100,000-pts & 32nds of 100 pct)

	High	Low	Close	Chge	OpInt
Sep 97	114-12	113-21	114-03	+ 15	508,076
Dec 97	113-30	113-09	113-23	+ 15	61,172
Mar 98	113-19	112-31	113-13	+ 15	32,400
Jun 98			113-01	+ 15	2,128

Est. sales N.A. Fri's sales 435,426
Fri's open int 605,453, off 3,492

LONG GILT (LIFFE) £50,000 - pts & 32nds of 100 pct

	High	Low	Close	Chge	OpInt
Sep 97	115-06	114-23	115-02	+0-14	158,950
Dec 97	114-18	114-17	114-22	+0-15	10,021

Est. sales: 42,150. Prev. sales: 29,857
Prev. open int.: 168,971 off 3,593

GERMAN GOV. BUND (LIFFE) DM250,000 - pts of 100 pct

	High	Low	Close	Chge	OpInt
Sep 97	102.52	102.19	102.46	+0.32	266,178
Dec 97	101.65	101.40	101.61	+0.31	19,212
Mar 98	N.T.	N.T.	100.76	+0.30	0

Est. sales: 101,683. Prev. sales: 92,346
Prev. open int.: 285,490 off 1,155

10-YEAR FRENCH GOV. BONDS (MATIF) FF500,000 - pts of 100 pct

	High	Low	Close	Chge	OpInt
Sep 97	129.90	129.42	129.88	+ 0.34	160,805
Dec 97	98.84	98.48	98.86	+ 0.34	11,762
Mar 98	98.08	98.08	98.26	+ 0.34	0

Est. sales: 56,064.
Open int.: 172,567 off 4,764.

ITALIAN GOVERNMENT BOND (LIFFE) ITL 200 million - pts of 100 pct

	High	Low	Close	Chge	OpInt
Sep 97	135.59	134.70	135.52	+0.87	104,388
Dec 97	107.50	107.50	107.76	+0.78	5,058
Mar 98	N.T.	N.T.	108.30	+0.86	0

Est. sales: 46,915. Prev. sales: 22,008
Prev. open int.: 109,446 up 2,331

LIBOR 1-MONTH (CMER) $3 million- pts of 100 pct.

	High	Low	Close	Chge	OpInt
Aug 97	94.37		94.36	+0.01	18,264
Sep 97	94.37	94.35	94.37	+0.02	15,049
Oct 97	94.37	94.34	94.35	+0.02	6,486

Est. sales N.A. Fri's sales 8,482
Fri's open int 52,726, up 2,585

EURODOLLARS (CMER) $1 million-pts of 100 pct.

	High	Low	Close	Chge	OpInt
Aug 97			94.28	+0.01	17,567
Sep 97	94.32	94.27	94.29	+0.02	495,748
Oct 97	94.23	94.22	94.22	+0.03	3,548
Dec 97	94.19	94.14	94.16	+0.02	474,288
Mar 98	94.15	94.08	94.12	+0.04	336,213
Jun 98	94.05	93.98	94.02	+0.05	272,701
Sep 98	93.95	93.88	93.92	+0.06	222,299
Dec 98	93.84	93.77	93.81	+0.06	186,771
Mar 99	93.81	93.75	93.78	+0.05	131,562
Jun 99	93.76	93.70	93.73	+0.05	101,423
Sep 99	93.71	93.65	93.69	+0.05	84,948
Dec 99	93.63	93.58	93.61	+0.05	73,182

Est. sales N.A. Fri's sales 396,738
Fri's open int 2,775,981, off 12,182

BRITISH POUND (CMER) 62,500 pounds, $ per pound

	High	Low	Close	Chge	OpInt
Sep 97	1.6132	1.6036	1.6092	+0.0038	49,162
Dec 97	1.6050	1.5980	1.6038	+0.0040	1,066
Mar 98	1.5960	1.5940	1.5974	+0.0038	208

Est. sales N.A. Fri's sales 11,688
Fri's open int 50,436, off 2,166

CANADIAN DOLLAR (CMER) 100,000 dollars, $ per Cdn. dlr

	High	Low	Close	Chge	OpInt
Sep 97	.7227	.7203	.7215	+0.0009	51,059
Dec 97	.7265	.7249	.7252	+0.0009	4,883
Mar 98	.7300	.7281	.7281	+0.0009	685

Est. sales N.A. Fri's sales 7,444
Fri's open int 56,880, off 1,545

GERMAN MARK (CMER) 125,000 marks, $ per mark

	High	Low	Close	Chge	OpInt
Sep 97	.5548	.5480	.5484	-0.0004	102,982
Dec 97	.5540	.5490	.5516	-0.0004	4,258
Mar 98	.5559	.5547	.5547	-0.0004	1,242

Est. sales N.A. Fri's sales 49,825
Fri's open int 108,589, off 7,251

JAPANESE YEN (CMER) 12.5 million yen, $ per 100 yen

	High	Low	Close	Chge	OpInt
Sep 97	.8589	.8504	.8519	unch.	79,268
Dec 97	.8660	.8619	.8630	unch.	2,399
Mar 98			.8746	unch.	529

Est. sales N.A. Fri's sales 40,660
Fri's open int 82,205, up 6,485

SWISS FRANC (CMER) 125,000 francs, $ per franc

	High	Low	Close	Chge	OpInt
Sep 97	.6710	.6626	.6636	-0.0018	53,678
Dec 97	.6723	.6694	.6703	-0.0019	2,409
Mar 98			.6771	-0.0020	1,065

Est. sales N.A. Fri's sales 19,761
Fri's open int 57,262, up 2,214

MEXICAN PESO (CMER) 500,000 pesos, $ per peso

	High	Low	Close	Chge	OpInt
Sep 97	.12730	.12630	.12722	.00050	23,292
Dec 97	.12270	.12190	.12267	.00050	14,097
Mar 98	.11857	.11840	.11850	.00106	5,181

Est. sales N.A. Fri's sales 4,022
Fri's open int 44,454, up 393

3-MONTH STERLING (LIFFE) £500,000 - pts of 100 pct

	High	Low	Close	Chge	OpInt
Sep 97	92.78	92.75	92.76	-0.01	108,818
Dec 97	92.66	92.63	92.63	-0.01	121,202
Mar 98	92.62	92.58	92.59	-0.01	99,385
Jun 98	92.63	92.59	92.59	-0.01	69,130
Sep 98	92.65	92.62	92.62	-0.01	55,068
Dec 98	92.72	92.69	92.69	Unch.	47,681
Mar 99	92.77	92.74	92.74	Unch.	38,840

Est. sales: 37,110. Prev. sales: 27,504
Prev. open int.: 627,926 up 1,985

3-MONTH EUROMARK (LIFFE) DM1 million - pts of 100 pct

	High	Low	Close	Chge	OpInt
Aug 97	N.T.	N.T.	96.72	+0.01	1,798
Sep 97	96.65	96.63	96.65	+0.03	256,441
Oct 97	N.T.	N.T.	96.58	+0.04	1,787
Dec 97	96.49	96.44	96.48	+0.06	300,262
Mar 98	96.35	96.30	96.34	+0.06	289,883
Jun 98	96.14	96.10	96.13	+0.06	209,338
Sep 98	95.94	95.89	95.93	+0.06	146,070
Dec 98	95.70	95.66	95.70	+0.06	156,524
Mar 99	95.52	95.48	95.51	+0.06	120,364
Jun 99	95.35	95.32	95.35	+0.06	70,798

Est. sales: 118,334. Prev. sales: 224,532
Prev. open int.: 1,700,833 off 10,640

3-MONTH PIBOR (MATIF) FF5 million - pts of 100 pct

	High	Low	Close	Chge	OpInt
Sep 97	96.51	96.48	96.51	+ 0.02	63,914
Dec 97	96.32	96.30	96.32	+ 0.02	43,209
Mar 98	96.22	96.18	96.21	+ 0.02	30,498
Jun 98	96.11	96.05	96.10	+ 0.03	25,244
Sep 98	95.96	95.93	95.94	+ 0.03	30,407

Est. sales: 24,051.
Open int.: 266,401 off 196.

3-MONTH EUROLIRA (LIFFE) ITL 1 million - pts of 100 pct

	High	Low	Close	Chge	OpInt
Sep 97	93.21	93.19	93.21	+0.02	101,373
Dec 97	93.53	93.49	93.53	+0.04	101,341

	High	Low	Latest	Chge	OpInt
10-YEAR FRENCH GOV. BONDS (MATIF) (cont.)					
Mar 98	93.84	93.79	93.84	+0.04	54,962
Jun 98	94.11	94.07	94.10	+0.04	43,572
Sep 98	94.25	94.21	94.25	+0.05	37,186
Dec 98	94.33	94.30	94.33	+0.04	28,224

Est. sales: 23,300. Prev. sales: 27,466
Prev. open int.: 391,841 up 8,689

Industrials

COTTON 2 (NCTN) 50,000 lbs.- cents per lb.

	High	Low	Latest	Chge	OpInt
Oct 97	74.50	73.50	73.80	-0.86	9,971
Dec 97	74.50	73.50	73.78	-0.80	41,744
Mar 98	75.75	74.80	75.00	-0.80	12,099
May 98	76.05	75.55	75.72	-0.66	4,401
Jul 98	76.90	76.35	76.37	-0.73	3,933

Est. sales N.A. Fri's sales 3,652
Fri's open int 79,015, up 322

HEATING OIL (NMER) 42,000 gal, cents per gal

	High	Low	Latest	Chge	OpInt
Sep 97	55.50	54.35	55.09	-0.16	32,879
Oct 97	56.20	55.25	55.89	-0.21	31,682
Nov 97	57.00	56.20	56.74	-0.21	18,722
Dec 97	57.85	57.05	57.54	-0.21	20,128
Jan 98	58.35	57.70	58.14	-0.21	15,407
Feb 98	58.45	57.85	58.24	-0.16	8,148
Mar 98	57.70	57.00	57.29	-0.16	7,277

Est. sales N.A. Fri's sales 18,714
Fri's open int 145,501, off 542

LIGHT SWEET CRUDE (NMER) 1,000 bbl.- dollars per bbl.

	High	Low	Latest	Chge	OpInt
Sep 97	20.05	19.67	19.91	-0.16	49,195
Oct 97	20.20	19.92	20.15	-0.11	95,564
Nov 97	20.28	20.05	20.25	-0.08	42,371
Dec 97	20.35	20.10	20.31	-0.05	50,440
Jan 98	20.33	20.15	20.33	-0.03	31,000
Feb 98	20.34	20.22	20.34	+0.09	14,812

Est. sales N.A. Fri's sales 104,717
Fri's open int 442,160, off 2,440

NATURAL GAS (NMER) 10,000 mm btu's, $ per mm btu

	High	Low	Latest	Chge	OpInt
Sep 97	2.470	2.405	2.426	-0.006	42,091
Oct 97	2.510	2.410	2.445	-0.019	41,611
Nov 97	2.700	2.560	2.580	-0.014	16,343
Dec 97	2.745	2.680	2.705	+0.005	18,554
Jan 98	2.760	2.690	2.710	unch.	18,330
Feb 98	2.580	2.535	2.570	+0.025	13,745

Est. sales N.A. Fri's sales 47,077
Fri's open int 219,742, off 2,621

UNLEADED GASOLINE (NMER) 42,000 gal, cents per gal

	High	Low	Latest	Chge	OpInt
Sep 97	66.81	64.05	65.44	-1.37	36,708
Oct 97	60.05	58.90	59.94	-0.40	25,719
Nov 97	58.04	57.40	58.04	-0.18	10,760
Dec 97	57.50	56.85	57.40	-0.14	11,116
Jan 98	57.40	56.90	57.40	-0.09	10,001
Feb 98	57.80	57.50	57.80	-0.04	3,543
Mar 98			58.35	+0.01	4,498
Apr 98			61.05	+0.11	2,096

Est. sales N.A. Fri's sales 31,484
Fri's open int 106,553, up 1,304

GASOIL (IPE) U.S. dollars per metric ton - lots of 100 tons

	High	Low	Latest	Chge	OpInt
Sep 97	170.25	168.50	169.50	— 1.75	26,009
Oct 97	171.75	170.50	171.50	— 1.50	14,515
Nov 97	173.25	172.25	173.25	— 1.25	7,107
Dec 97	175.00	174.00	175.00	— 1.00	13,766
Jan 98	175.00	174.75	175.50	— 1.00	8,073
Feb 98	174.25	174.25	175.00	— 1.00	4,989
Mar 98	172.25	172.25	173.00	— 0.50	2,476

Est. sales: 8,373. Prev. sales: 9,014
Prev. open int.: 82,973 up 1,168

BRENT OIL (IPE) U.S. dollars per barrel - lots of 1,000 barrels

	High	Low	Latest	Chge	OpInt
Oct 97	18.94	18.71	18.93	— 0.06	88,706
Nov 97	19.00	18.86	19.00	— 0.12	16,842
Dec 97	19.11	19.01	19.11	— 0.10	19,876
Jan 98	19.09	19.06	19.15	— 0.08	15,708
Feb 98	19.08	19.00	19.11	— 0.07	6,974
Mar 98	18.99	18.93	19.05	— 0.06	2,525

Est. sales: 17,636. Prev. sales: 19,135
Prev. open int.: 161,582 up 289

Stock Indexes

SP COMP INDEX (CMER) 500 x index

	High	Low	Latest	Chge	OpInt
Sep 97	914.50	893.15	914.00	+15.20	185,421
Dec 97	923.75	906.00	922.50	+15.10	9,545
Mar 98	925.00	919.00	925.00	+7.20	2,228

Est. sales N.A. Fri's sales 73,384
Fri's open int 197,836, up 173

FTSE 100 (LIFFE) £25 per index point

	High	Low	Latest	Chge	OpInt
Sep 97	4885.0	4795.0	4843.0	—4.0	72,929
Dec 97	4938.0	4865.0	4909.0	—4.0	6,388
Mar 98	4982.5	4962.0	4953.0	—7.0	221

Est. sales: 11,873. Prev. sales: 15,545
Prev. open int.: 79,538 up 97

CAC 40 (MATIF) FF200 per index point

	High	Low	Latest	Chge	OpInt
Aug 97	2873.0	2827.0	2871.0	— 50.0	26,430
Sep 97	2900.0	2835.0	2879.0	— 50.0	23,759
Dec 97	2919.0	2863.0	2903.0	— 51.0	928
Mar 98	N.T.	N.T.	2929.5	— 50.0	9,180

Est. sales: 24,065.
Open int.: 69,533 off 64.

Commodity Indexes

	Close	Previous
Moody's	1,559.00	1,556.80
Reuters	1,894.50	1,910.50
D.J. Futures	148.05	149.09
CRB	237.68	239.19

Sources: Matif, Associated Press, London Int'l Financial Futures Exchange, Int'l Petroleum Exchange.

EUROPE

Cost Cuts And Weak Mark Lift VW's Net

Compiled by Our Staff From Dispatches

WOLFSBURG, Germany, — Volkswagen AG said Monday that its second-quarter net profit climbed 90 percent as the carmaker cut costs and the weakening Deutsche mark bolstered foreign demand.

Europe's largest carmaker said profit for the quarter rose to 316 million DM ($171.5 million) from 166 million DM a year earlier. Profit grew 48 percent from the first quarter mainly because of reduced tax charges, analysts said.

"The trend is good, but the numbers are broadly in line with market expectations," said Francois Colli, analyst at Paribas Capital Markets in London. "Volume, currency and cost-cutting all contributed."

Stock in the company fell 7 DM, to 1,285 DM.

Volkswagen, which sells vehicles under the VW, Skoda, SEAT and Audi brands, said it would report higher profit for 1997, compared with 1996, when it had a net profit of 678 billion DM on sales of 100.1 billion DM.

Cost-cutting has allowed Volkswagen to pack more options into its cars without increasing prices, helping the company surpass rivals such as Ford-Werke AG and Renault SA of France, which are struggling to return to profit.

Volkswagen has cut costs in part through a plan to reduce the number of platforms on which its cars are built to four from 16. It has also benefited from the weak mark, which has fallen almost 5 percent against a basket of currencies of Germany's major trading partners. The weaker mark makes Volkswagen products less expensive abroad.

First-half profit rose 73 percent, to 488 million DM. First-half sales rose 12 percent to 56.5 billion DM from the same period last year, with much of the growth coming from abroad. *(Bloomberg, Reuters)*

Exports Fuel German Economic Strength

Compiled by Our Staff From Dispatches

BONN — The German economy is gathering strength because of booming exports, and unemployment is set to begin falling convincingly from its recent postwar record levels, Economics Minister Guenter Rexrodt said Monday.

Mr. Rexrodt said gross domestic product grew as much as 1 percent in the second quarter from the previous quarter, and 2.5 to 3 percent from a year earlier.

Separately, a Bundesbank council member warned that higher interest rates would damage the economy.

Mr. Rexrodt said the relatively weak mark was bolstering exports, allowing Germany to increase its share of world markets, without fueling inflation, he added.

"The economic train has speeded up thanks to booming exports, and the long-awaited turnaround in the labor market is on the horizon," Mr. Rexrodt said.

But he added that the economy was still "divided" between thriving exports and modest domestic growth, though evidence of a revival in the home market is beginning to surface.

The government's full report on second-quarter gross domestic product will be published Sept. 10.

Germany's economy is on track to allow it to qualify for European economic and monetary union, Mr. Rexrodt said.

"We will meet the criteria," he said. He attributed the mark's relative weakness against the dollar and the pound to a correction of its previous overvaluation, and to the fact that Germany was in a different phase of its economic cycle than the United States and Britain.

He said that German exports, which have been fueling economic recovery, would grow faster than world trade, increasing Germany's share of world markets.

But he pointed out that while exports to the United States and Canada were strong, exports to European Union countries are "below average," reflecting sluggish European economies.

His comments contradicted a survey on competitiveness issued by the German chamber of industry and commerce, the DIHT, which said it expects German companies to lose ground in foreign markets.

The report, also issued Monday, said production costs were too high and companies did not have a big enough presence in the world's fastest-growing economies.

The report urged companies to invest more abroad.

In 1996, Germany's share of world markets dropped to 10.6 percent from 11.1 percent in the previous year.

Germany's exporters have benefited from the depreciation of the Deutsche mark since it surged to a postwar high in the spring of 1995.

The mark has fallen 15 percent against the U.S. dollar this year.

Hans-Juergen Krupp, a Bundesbank council member, said Monday that the recent sharp weakening of the mark was worrying but that an interest-rate rise now would damage the domestic economy.

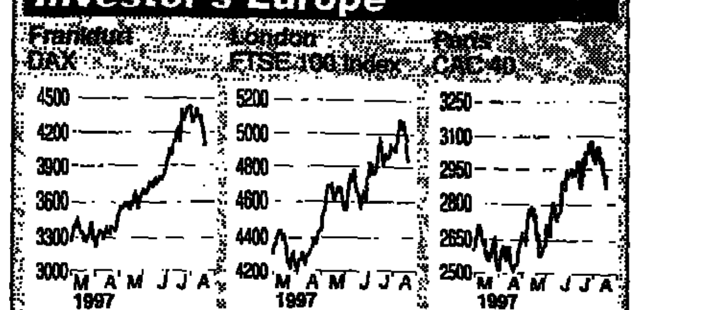
Mr. Krupp said that a small interest-rate rise would probably have little impact on exchange rates, while a larger increase would not be justifiable given continued weakness in the domestic economy.

"There is pressure on the central bank to raise interest rates for currency reasons," Mr. Krupp said.

"But an interest-rate increase would be highly damaging for domestic economic reasons."

He said the mark's appreciation of 1995 had been reversed and that exchange rates now more closely matched the currencies' purchasing power. *(Reuters, Bloomberg, AP)*

Investor's Europe



Exchange	Index	Monday Close	Prev. Close	% Change
Amsterdam	AEX	917.48	894.42	[illegible]
Brussels	BEL-20	2,370.29	2,417.87	[illegible]
Frankfurt	DAX	4,078.60	4,152.86	[illegible]
Copenhagen	Stock Market	621.18	627.27	[illegible]
Helsinki	HEX General	3,451.38	3,518.90	[illegible]
Oslo	OBX	685.02	696.07	[illegible]
London	FTSE 100	4,825.80	4,865.80	[illegible]
Madrid	Stock Exchange	576.82	589.45	[illegible]
Milan	MIBTEL	14125	14485	[illegible]
Paris	CAC 40	2,878.13	2,921.84	[illegible]
Stockholm	SX 16	3,442.51	3,458.27	[illegible]
Vienna	ATX	1,349.78	1,382.75	[illegible]
Zurich	SPI	3,492.81	3,547.12	[illegible]

Source: Telekurs International Herald Tribune

KLM Links Up With Braathens

Compiled by Our Staff From Dispatches

AMSTELVEEN, Netherlands — KLM Royal Dutch Airlines NV said Monday that it would form a partnership with Braathens SAFE ASA of Norway to expand its European network and make it more competitive against other global airline alliances.

KLM, Europe's fourth-biggest airline, said it would buy a 30 percent stake in Braathens for 845.25 million kroner ($110.8 million) as the two airlines coordinated their schedules, maintenance and frequent flyer programs.

The Dutch airline has sought strategic alliances to increase market share in Europe. Analysts said that the Braathens deal was a surprise because a link-up with Alitalia of Italy had been mooted. Worries that the Italian airline might be left out sent that carrier's shares down in the past few days; they finished Monday at 909 lire (50 cents), down 53.

KLM, spurred by concern over the pending partnership of British Airways PLC and American Airlines Inc., has been actively seeking affiliates to feed its hub at Amsterdam's Schiphol airport.

Braathens brings access to most of the Nordic region. It has about half the Norwegian domestic market and recently teamed up with Finnair Oy of Finland and Transwede of Sweden, of which Braathens owns half, to combine bonus programs and coordinate flights in competition with Scandinavian Airlines System, the region's dominant carrier.

SAS said it saw no major change to its competitive position from the Braathens-KLM deal. But analysts said that over the longer term, the new alliance would be a competitive threat to SAS.

"This surely opens up the battle for Scandinavia," an Oslo-based analyst said. *(Bloomberg, Reuters)*

Strong Markets Lift Earnings At Baer by 62%

Bloomberg News

ZURICH — Julius Baer Holding AG said Monday that first-half profit rose 62 percent as soaring financial markets lifted commission and trading income at Switzerland's largest listed private bank and asset manager.

Profit rose to 107.5 million Swiss francs ($71.5 million), from 66.5 million francs in the year-earlier period. The bank forecast "significant" earnings improvement for the full year.

Baer and competitors such as Vontobel Holding AG, Pictet & Cie., Lombard Odier and Bank Sarasin & Cie. did well in the first half by focusing on private banking and asset management. Earnings at all banks got a boost from rising share and bond prices, which lifted commission and trading income.

"Julius Baer's results are very good, thanks to the strong financial markets," said Daniel Haeuselmann, analyst at Union Bank of Switzerland. "The rise in assets under management points to further earnings growth in the second half."

U.K.'s VAT Intake Soars to Record

Compiled by Our Staff From Dispatches

LONDON — The British government collected £3.875 billion ($6.24 billion) more in tax than it spent on public services last month, as value-added tax receipts chalked up a record high, figures released Monday showed.

The Office for National Statistics said VAT receipts of £5.032 billion was the highest monthly total since records began.

It significantly outstripped the £3.783 billion collected in the same month last year.

As a result, July's debt repayment was well above the £929 million paid in July last year, even though the privatization proceeds column was blank for the first time in months.

The data indicate buoyant economic growth, economists said.

"The headline is an amazingly good figure," said Andrew Milligan, an economist at General Accident.

"It certainly ties in with the very strong state of the economy."

Mark Miller, an economist at Morgan Stanley, said that the value-added tax numbers suggested July retail sales figures, due for release Wednesday, could well be "reasonably strong."

But the pickup in the economy may make the case for stronger interest rates, analysts warned.

They said this despite the Bank of England's pledge to call a halt to the recent succession of interest-rate increases. *(Reuters, AFX)*

Very briefly:

- **Telecom Italia SpA**, Italy's national telephone company, said it would pay 200 billion lire ($110.4 million) for 20 percent of Otto SpA, a company that will buy the government's controlling stake in the yellow-pages publisher Seat SpA.
- **Bayerische Motoren Werke AG**'s chairman, Bernd Pischetsrieder, said **Rover Group**, its British unit, may fail to turn a profit by 2000, because the carmaker is being hit hard by the strength of the pound, which makes it harder to export.
- **Continental AG**, the world's fourth-largest tire maker, said it planned to install 30 new car tire-making machines in plants in the United States and Europe over the next two years in a bid to improve productivity.
- **Svenska Cellulosa AB**, a Swedish forest-products company, said it bought a 48 percent stake in **WELPA Wellpappenfabrik GmbH**, a Austrian corrugated board and packaging maker, and has an option to buy more to become a majority owner. The financial terms of the deal were not disclosed.
- **El Al Israel Airlines** turned a profit in the second quarter and is expected to end the year with a narrower loss than originally projected, said a spokesman for the state-owned carrier, who declined to provide figures.
- **British Petroleum PLC**'s Stena Dee oil platform reached its destination in waters north of Scotland despite attempts by Greenpeace activists to prevent its arrival.
- **Deutsche Telekom AG** said it would compensate subscribers to its on-line and Internet access service T-Online with two free hours of service following software troubles, which had prevented customers from using the service.
- **Compagnie Generale des Eaux SA**'s first-half sales rose 8 percent to 80.9 billion francs ($13.07 billion).
- **Russia** plans to sell 48.68 percent of **Tyumen Oil Co.**, the country's sixth-largest oil company, at a cash auction this autumn.

Bloomberg, Reuters, AFX

WORLD STOCK MARKETS

Monday, Aug. 18
Prices in local currencies.
Telekurs

Amsterdam
AEX index: 917.48 Previous: 894.42

	High	Low	Close	Prev.
ABN-AMRO	47.70	42.80	47	44.30
Aegon	146.60	137.40	144.70	140
Ahold	57.40	52.50	55.90	54.60
Akzo Nobel	318.90	307	318.50	315.60
Baan Co.	137	130.10	135	135.80
Bols Wess cva	40	38.20	39.70	40
CSM cva	102.40	98.10	101.60	101.50
Dordtsche Pet	107	98.50	105.90	103
DSM	197.70	193	197.10	197
Elsevier	31.50	30.30	31.30	31
Fortis Amev	87.50	80.50	86.10	82.50
Getronics	69	64	68	68.40
G-Broc cva	59.60	58	59	60
Hagemeyer	106	95.50	104	100
Heineken	326	310	325.50	316.10
Hoogovens cva	122.90	118	122.10	121.70
Hunt Douglas	93.50	91	93	94.20
ING Group	95.70	88.80	94.50	90.80
KLM	74.40	69.20	73.30	71.60
KNP BT	47.50	45.50	47.40	46.50
KPN	76.40	73.20	76	74.50
Nedlloyd Gp	64.90	62.70	63.80	65
Nutricia	347	334	347	343.50
Oce Grinten	248	239	247.50	245
Philips Elec	152.50	144.70	151.30	147.60
Polygram	111	106.10	110.10	107.70
Randstad Hdg	85.50	82.50	84	85
Robeco	197	193.30	195	198.50
Rodamco	61.40	60.70	61.30	61.60
Rolinco	197.10	196.30	196.90	202.60
Rorento	117	117	117	117
Royal Dutch	106.50	99.30	105.20	102.50
Unilever cva	445	432.50	442	442.10
Vendex Intl	110	102	110	105
VNU	44.20	41	43.70	42.50
Wolters Kl cva	262.80	255.10	261.50	260

Bangkok
SET index: 604.24 Previous: 623.25

	High	Low	Close	Prev.
Adv Info Svc	218	208	208	218
Bangkok Bk F	230	218	220	232
Krung Thai Bk	28.50	27	27	29.50
PTT Explor	398	390	390	400
Siam Cement F	672	648	648	672
Siam Com Bk F	127	116	116	128
Telecomasia	43.75	42.25	43	42.75
Thai Airways	50.50	48.25	50	48.25
Thai Farm Bk F	146	135	135	145
Utd Comm	113	108	108	120

Markets Closed

Stock markets in Bombay and Hong Kong were closed Monday for a holiday.

Brussels
BEL-20 index: 2370.29 Previous: 2417.87

	High	Low	Close	Prev.
Almanij	1640	1550	1640	1680
Barco Ind	7370	7070	7330	7440
BBL	8780	8500	8700	8850
CBR	3250	3150	3175	3255
Colruyt	17800	14525	17600	17250
Delhaize Lion	1860	1810	1850	1885
Electrabel	7640	7600	7620	7680
Electrafina	3490	3450	3450	3550
Fortis AG	7340	7150	7270	7380
Gevaert	3300	3240	3300	3370
GBL	5550	5440	5490	5720
Gen Banque	14450	14075	14375	14550
Kredietbank	15175	14675	14700	15400
Petrofina	13900	13425	13900	13950
Powerfin	4900	4875	4895	4960
Royale Belge	10100	9950	10075	10275
Soc Gen Belg	3305	3250	3265	3390
Solvay	20500	20250	20300	20725
Tractebel	14725	14650	14650	14850
UCB	123100	120700	122500	126900

Copenhagen
Stock index: 621.18 Previous: 627.27

	High	Low	Close	Prev.
BG Bank	390	380	389	392
Carlsberg B	342.50	330	339	336
Codan Fors	950	940	940	951
Danisco	375	362	364	370
Den Danske Bk	700.70	689	698	708
D/S Svendbrg B	420000	410000	417000	425417
D/S 1912 B	292000	285000	290000	293000
FLS Ind B	235	229	235	239
Kob Lufthavne	710	689	702	709.39
Nvo Nordisk B	697	677	697	692
Sophus Ber B	944	930	942	950
Tele Danmk B	395	372	376.62	384.50
Tryg Baltica	419	414	414	422.71
Unidanmark A	419	409	416	421

Frankfurt
DAX: 4078.60 Previous: 4152.86

	High	Low	Close	Prev.
AMB B	1750	1720	1720	1810
Adidas	217.90	214	217	222.60
Allianz Hdg	418	404.50	418	417.50
Altana	146.40	141	143	144.50
Bk Berlin	44.95	43	44.95	48.50
BASF	65.60	63.10	65.60	67.55
Bayer Hypo Bk	68.70	64.40	68.45	68.62
Bay.Vereinsbank	95	91.50	94	95.10
Bayer	70	67.90	70	71.60
Beiersdorf	87	85.50	87	89.10
Bewag	39	38.70	38.80	39.60
BMW	1315	1268	1295	1334
CKAG Colonia	165	164	165	170
Commerzbank	64.10	61.50	64	66.10
Daimler Benz	137	134	137	140.20
Degussa	100.30	97.25	100.30	100
Deutsche Bank	111.25	107.80	111.10	114.80
Deut Telekom	39.60	38.40	39.50	39.55
Dresdner Bank	76.50	75.30	76.50	79.20
Fresenius	352	348	350	355.30
Fresenius Med	154.50	147	154.50	158.50
Fried. Krupp	372	361	372	374.50
Gehe	111	107.50	109	110.05
Heidelbg Zmt	152	145	146	154
Henkel pfd	100.40	98.70	100.40	103.40
HEW	452	450	450	450
Hochtief	87.50	85.20	87.50	89.50
Hoechst	73.05	71.95	72.30	74.70
Karstadt	668	656	667.50	678.50
Lahmeyer	99	92	99	98.50
Linde	1305	1260	1300	1327
Lufthansa	34.40	33.10	34.40	34.90
MAN	527	518.50	523	536.50
Mannesmann	822	793	814	822.50
Metallgesellschaft	40.50	38.90	39.80	40.60
Metro	92.50	89.30	92.15	93
Munch Rueck R	614	600	610.50	6240
Preussag	542	540.50	541	559.40
RWE	84.80	83.40	84.70	86.70
SAP pfd	425.50	393.50	425.50	418.50
Schering	199	188.10	197	193.50
SGL Carbon	240	231	240	242.50
Siemens	114.80	110.30	114.35	117.90
Springer (Axel)	1578	1570	1578	1570
Suedzucker	855	845	855	885
Thyssen	428	419.50	427.50	440.50
Veba	100.70	98.70	100.30	102.30
VEW	580	568	580	573
Viag	755	746	755	769
Volkswagen	1285	1225	1285	1292

Helsinki
HEX General index: 3451.38 Previous: 3518.90

	High	Low	Close	Prev.
Enso A	49	47	48.50	48.50
Huhtamaki I	228	221	222	228
Kemira	48	46	47.50	48.10
Kesko	73.50	72	72.80	73.50
Merita A	23	22	22.90	23.10
Metra B	171	167	170	174
Metso-Serla B	49.20	48	48.80	50
Neste	143	139.50	140	145
Nokia A	449	440	446	454.50
Orion-Yhtymae	186	180	185.50	183
Outokumpu A	99	96.50	96.90	100
UPM-Kymmene	135	131.50	133.50	136.50
Valmet	83	81	81	83

Jakarta
Composite index: 599.64 Previous: 617.71

	High	Low	Close	Prev.
Astra Intl	7050	6525	7050	7400
Bk Intl Indon	1300	1125	1275	1200
Bk Negara	1250	1000	1250	1200
Gudang Garm	9000	8675	8700	9300
Indocement	3550	3175	3350	3700
Indofood	4100	3800	3850	4550
Indosat	7150	6825	7100	7075
Sampoerna HM	7600	6300	7200	7675
Semen Gresik	3100	2725	3025	3300
Telekomunikasi	3650	3125	3625	3450

Johannesburg
All Market: 7361.34 Previous: 7439.85

	High	Low	Close	Prev.
Amalgamtd Bks	32.50	31	32.30	32.60
AngloAm Coal	260	260	260	260
AngloAm Corp	252.50	250	251	255
AngloAm Gold	272	271	267	271.75
AngloAm Ind	208.75	205	208.50	209
AVMIN	11.90	11.50	11.50	11.90
Barlow	57.50	56	57.50	57.50
C.G. Smith	25	24.50	24.85	25.10
De Beers	148.25	145	147.25	150
Driefontein	35.50	34.60	34.85	35
Fst Natl Bk	38.30	37.25	38	38.40
Gencor	10.50	10.25	10.50	10.50
GFSA	97	95.50	95.50	97
Imperial Hdgs	61.50	59	61.25	61
Ingwe Coal	24.20	24	24.05	24.35
Iscor	3.02	2.85	3	3
Johnnies Indl	66	63	65	65
Liberty Hdgs	361.50	360	360	372
Liberty Life	140	137.50	137.75	141.75
LibLife Strat	17.75	17	17.75	17.55
Minorco	98	97.50	97.50	98.25
Nampak	19	18.30	18.85	19.20
Nedcor	95.25	93	95	95.25
Rembrandt Gp	46.50	45	46	46.25
Richemont	65	61	65	64
Rust Platinum	82.25	80.50	82	82.25
SA Breweries	141	137	141	142.75
Samancor	39.75	39.75	39.75	40
Sasol	59.50	58	59.50	59.50
SBIC	218	217	218	218
Tiger Oats	74.75	72	74.75	73.50

Kuala Lumpur
Composite: 880.45 Previous: 910.18

	High	Low	Close	Prev.
AMMB Hdgs	12	11.70	11.70	12
Genting	10.50	10.10	10.20	10.30
Mal Banking	22.30	21.40	21.80	22.80
Mal Intl Ship F	6.05	5.65	5.75	6.05
Petronas Gas	9.25	9.05	9.25	9.30
Proton	8.45	7.80	7.85	8.50
Public Bk	3.36	3.32	3.32	3.38
Renong	3.32	3.14	3.26	3.28
Resorts World	7.15	7	7.15	7.20
Rothmans PM	25	24.60	24.70	25
Sime Darby	7.80	7.60	7.70	7.90
Telekom Mal	8.75	8.15	8.20	8.80
Tenaga	9.55	9.15	9.25	9.60
Utd Engineers	15.60	14.70	15	15.80
YTL	6.80	6.50	6.80	6.85

London
FT-SE 100: 4825.80 Previous: 4865.80

	High	Low	Close	Prev.
Abbey Natl	8.05	7.83	7.97	7.98
Allied Domecq	4.74	4.68	4.69	4.77
Anglian Water	7.79	7.40	7.73	7.67
Argos	6.25	6.10	6.22	6.23
Asda Group	1.51	1.46	1.49	1.50
Assoc Br Foods	4.96	4.88	4.94	4.99
BAA	5.77	5.63	5.74	5.73
Barclays	14.02	13.65	13.83	13.97
Bass	8.42	8.12	8.39	8.28
BAT Ind	5.18	5.07	5.14	5.17
Bank Scotland	4.12	4.04	4.10	4.12
Blue Circle	4.27	4.18	4.23	4.27
BOC Group	11.14	10.96	11.09	11.12
Boots	7.93	7.79	7.92	7.91
BPB Ind	3.46	3.40	3.46	3.46
Brit Aerosp	14.61	14.46	14.49	14.72
Brit Airways	6.20	5.84	6.13	6.17
BG	2.56	2.50	2.53	2.55
Brit Land	5.97	5.84	5.90	5.92
Brit Petm	8.47	8.30	8.38	8.51
BSkyB	4.44	4.21	4.37	4.37
Brit Steel	1.75	1.69	1.75	1.71
Brit Telecom	4.28	3.76	3.82	3.82
BTR	2.25	2.09	2.21	2.15
Burmah Castrol	10.68	10.43	10.54	10.74
Burton Gp	1.28	1.26	1.27	1.28
Cable Wireless	5.67	5.48	5.59	5.57
Cadbury Schw	6.07	5.92	6.03	6.03
Carlton Comm	4.92	4.80	4.89	4.89
Coml Union	7.36	7.20	7.23	7.40
Compass Gp	6.35	6.28	6.30	6.37
Courtaulds	3.40	3.33	3.37	3.41
Dixons	6.11	5.90	6.10	6.01
Electrocomponents	4.92	4.87	4.90	4.94
EMI Group	5.59	5.33	5.48	5.47
Energy Group	6.30	6.25	6.26	6.28
Enterprise Oil	6.92	6.82	6.82	6.95
Fam Colonial	1.77	1.74	1.75	1.78
Genl Accident	9.25	9.08	9.21	9.32
GEC	3.76	3.71	3.76	3.79
GKN	12.75	12.45	12.64	12.65
Glaxo Wellcome	12.07	11.75	11.96	12.01
Granada Gp	8.02	7.74	8.02	7.91
Grand Met	5.93	5.76	5.87	5.85
GRE	2.85	2.71	2.83	2.78
Greenalls Gp	4.92	4.83	4.90	4.87
Guinness	5.89	5.72	5.78	5.82
GUS	6.38	6.23	6.34	6.35
Hays	5.90	5.81	5.89	5.94
HSBC Hldgs	20.50	20	20.22	20.76
ICI	10.20	9.97	9.99	10.29
Impl Tobacco	3.97	3.87	3.93	3.94
Kingfisher	7.20	7.08	7.18	7.21
Ladbroke	2.58	2.43	2.54	2.50
Land Sec	9.32	9.18	9.28	9.32
Lasmo	2.75	2.68	2.69	2.74
Legal Genl Grp	4.48	4.33	4.40	4.44
Lloyds TSB Gp	7.28	7.05	7.11	7.25
LucasVarity	2.06	2.01	2.03	2.07
Marks Spencer	5.88	5.74	5.86	5.85
MEPC	4.83	4.75	4.80	4.85
Mercury Asset	13.41	13.15	13.34	13.39
National Grid	2.66	2.53	2.59	2.56
Natl Power	5.23	5	5.19	5.07
NatWest	7.97	7.79	7.82	7.98
Next	7.65	7.45	7.57	7.64
Norwich Union	3.37	3.22	3.31	3.37
Orange	2.15	2.09	2.12	2.11
P&O	6.39	6.20	6.38	6.32
Pearson	7.42	7.32	7.35	7.47
Pilkington	1.50	1.45	1.47	1.49
PowerGen	7.23	7.03	7.21	7.12
Premier Farnell	5.51	5.43	5.48	5.52
Prudential	6.05	5.92	5.94	6.08
Railtrack Gp	7.77	7.72	7.76	7.82
Rank Group	3.39	3.25	3.36	3.36
Reckitt Colm	9.47	9.38	9.45	9.52
Redland	2.94	2.87	2.93	2.96
Reed Intl	5.47	5.33	5.44	5.47
Rentokil Initial	2.16	2.08	2.13	2.14
Reuters Hldgs	6.31	6.12	6.26	6.30
Rexam	2.90	2.85	2.88	2.92
RTZ reg	10.22	10.10	10.13	10.29
RMC Group	10.47	10.30	10.45	10.42
Rolls Royce	2.46	2.39	2.44	2.46
Royal Bk Scot	6	5.88	5.97	6.02
Royal & Sun All	5.29	5.16	5.26	5.31
Safeway	3.84	3.75	3.77	3.87
Sainsbury	4.47	4.30	4.41	4.49
Schroders	18.60	18.32	18.50	18.53
Scot Newcastle	7.57	7.38	7.52	7.49
Scot Power	4.29	4.13	4.17	4.29
Securicor	2.95	2.22	2.92	2.96
Severn Trent	8.56	8.30	8.48	8.37
Shell Transp R	4.20	3.97	4.17	4.10
Siebe	11.62	11.52	11.60	11.64
Smith Nephew	1.80	1.78	1.79	1.79
SmithKline	10.95	10.57	10.87	10.80
Smiths Ind	8.42	8.28	8.38	8.39
Sthern Elec	4.60	4.38	4.53	4.50
Stagecoach	6.95	6.85	6.90	6.99
Stand Charter	10.10	9.92	9.97	10.18
Tate & Lyle	4.18	4.13	4.16	4.18
Tesco	4.07	3.98	4.05	4.09
Thames Water	8.02	7.78	7.92	7.88
3I Group	4.87	4.81	4.83	4.91
TI Group	5.95	5.81	5.94	5.89
Tomkins	3.30	3.24	3.28	3.32
Unilever	17.94	17.50	17.78	17.83
Utd Assurance	4.60	4.50	4.50	4.62
Utd News	7.09	6.97	7.05	7.03
Utd Utilities	7.14	6.98	7.08	7.05
Vendome Lx uts	5.05	5	5.05	5.08
Vodafone	3.17	3.09	3.13	3.16
Whitbread	8.27	7.34	8.19	8.23
Williams Hdgs	3.63	3.57	3.60	3.63
Wolseley	4.50	4.42	4.46	4.54
WPP Group	2.80	2.71	2.75	2.74
Zeneca	19.08	18.60	18.90	18.83

Madrid
Bolsa index: 576.82 Previous: 589.45

	High	Low	Close	Prev.
Acerinox	26500	24000	24500	26870
ACESA	1780	1755	1780	1810
Aguas Barcelon	5700	5600	5610	5770
Argentaria	7780	7620	7700	7910
BBV	4060	3990	4015	4160
Banesto	1400	1375	1385	1420
Bankinter	7550	7350	7480	7580
Bco Centro Hisp	5660	5560	5600	5760
Bco Popular	33650	33000	33300	34020
Bco Santander	4250	4135	4200	4230
CEPSA	4685	4600	4640	4735
Continente	3280	3210	3220	3240
Corp Mapfre	8350	8160	8280	8500
Endesa	3170	3105	3130	3220
FECSA	1230	1210	1215	1270
Gas Natural	6740	6520	6610	6650
Iberdrola	1790	1755	1760	1820
Pryca	2915	2855	2880	2965
Repsol	6070	6000	6030	6130
Sevillana Elec	1390	1360	1370	1405
Tabacalera	7730	7490	7690	7600
Telefonica	4050	3995	4015	4095
Union Fenosa	1210	1195	1195	1220
Valenc Cement	2730	2710	2710	2760

Manila
PSE index: 2368.67 Previous: 2448.93

	High	Low	Close	Prev.
Ayala B	15.50	14.50	15.50	15.50
Ayala Land	19.25	17.75	18.25	19.25
Bk Philip Isl	140	136	137	142
C&P Homes	9.30	8.80	8.80	9.30
Manila Elec A	80.50	79	80	80.50
Metro Bank	505	490	495	510
Petron	5.60	5.30	5.40	5.60
PCIBank	200	196	198	200
Phil Long Dist	865	840	840	875
San Miguel B	54	52.50	53.50	55.50
SM Prime Hdg	7.30	7	7	7.30

Mexico
Bolsa index: 4870.98 Previous: 4956.61

	High	Low	Close	Prev.
Alfa A	65.70	63.40	63.40	65.70
Banacci B	23.40	22.50	22.60	23.40
Cemex CPO	41.55	40.85	41.05	41.10
Cifra C	14.54	14.14	14.20	14.50
Emp Modema	43.80	43.00	43.00	43.80
Gpo Carso A1	56.60	55.40	55.40	56.30
Gpo F Bcomer	3.58	3.40	3.50	3.58
Gpo Fin Inbursa	35.30	35.25	35.25	35.50
Kimb Clark Mex	36.40	35.70	35.90	36.50
Televisa CPO	128.00	123.00	123.00	128.00
TelMex L	20.00	19.64	19.46	19.82

Milan
MIB Telematico: 14125.00 Previous: 14485.00

	High	Low	Close	Prev.
Alleanza Assic	14510	14255	14370	14615
Bca Comm Ital	4435	4330	4395	4550
Bca Fideuram	5425	5260	5320	5550
Bca di Roma	1544	1500	1526	1560
Benetton	26400	25600	26100	26200
Credito Italiano	3590	3475	3550	3610
Edison	8330	8100	8180	8420
ENI	10040	9800	9980	10075
Fiat	5555	5400	5400	5620
Generali Assic	36100	35500	35800	36900
IMI	16290	15705	15705	16490
INA	2635	2570	2615	2620
Italgas	5330	5190	5330	5355
Mediaset	7720	7600	7600	7815
Mediobanca	11190	11010	11150	11465
Montedison	1095	1081	1090	1113
Olivetti	670	642	662	655
Parmalat	2635	2580	2600	2635
Pirelli	4750	4570	4615	4745
RAS	14665	14400	14545	14800
Rolo Banca	21500	20600	21500	21350
S Paolo Torino	13350	13005	13350	13800
Telecom Italia	10860	10665	10760	10945
TIM	5920	5765	5770	6005

Montreal
Industrials index: 3585.66 Previous: 3564.79

	High	Low	Close	Prev.
Bce Mob Com	50¼	50	50½	50½
Cdn Tire A	26.85	25¼	25¼	26½
Cdn Util A	39½	38.95	38.95	39.40
CT Finl Svc	43¼	43¼	43¼	43½
Gaz Metro	18.60	18¼	18¼	18.60
Gt-West Lifeco	32.85	32	32¼	32
Imasco	41.20	39¼	39¼	41¼
Investors Grp	33.95	33.80	33.80	34.05
Loblaw Cos	20.20	20	20	20¼
Natl Bk Canada	17.65	17½	17.35	17½
Power Corp	38.20	37	37¼	38.30
Power Finl	35½	34½	35	36.15
Quebecor B	27.05	26.80	26.80	27
Rogers Comm B	10.45	10¼	10¼	10.40
Royal Bk Cda	62.70	61.35	62.20	62.40

Oslo
OBX index: 685.02 Previous: 696.07

	High	Low	Close	Prev.
Aker A	134	130	133	134
Bergesen Dy A	205	200	204	205.50
Christiania Bk	25.90	25	25.80	26.10
Den norske Bk	30.70	29.80	30.50	30.70
Elkem	142.50	140	142	145
Hafslund A	46	45.50	45.50	45.50
Kvaerner Asa	462	454	458	463
Norsk Hydro	398.50	393	395	403.50
Norske Skog A	288	285	286	292
Nycomed A	154	149	153	155
Orkla Asa A	547	540	544	555
Petm GeoSvc	405	393	400	414
Saga Petm A	147.50	143	146.50	148
Schibsted	128	125	126	129
Transocean Off	617	617	617	617
Storebrand Asa	50	48.50	49.70	50

Paris
CAC-40: 2878.13 Previous: 2921.84

	High	Low	Close	Prev.
Accor	960	939	955	966
AGF	218.80	210.60	218	220
Air Liquide	927	904	914	932
Alcatel Alsth	817	799	808	829
Axa-UAP	410	402.60	406.10	412.10
Bancaire	739	711	717	726
BIC	498	471.10	488	494.20
BNP	275.50	263.20	270	275.50
Canal Plus	1054	1030	1038	1076
Carrefour	3939	3802	3929	3868
Casino	280	274	278	280.90
CCF	318	310	315.20	325
Cetelem	663	652	660	673
Christian Dior	941	904	922	945
CLF-Dexia Fran	568	550	554	571
Credit Agricole	N.T.	N.T.	N.T.	1265.10
Danone	918	896	910	928
Elf-Aquitaine	651	624	647	655
Eridania BS	826	801	812	826
Eurodisney	8.75	8.50	8.60	8.60
Eurotunnel	7.05	6.90	7.05	7.10
Gen. Eaux	712	689	710	721
Havas	383	375.40	380.40	385
Imetal	858	838	844	858
Lafarge	419.90	403.50	412.20	424.90
Legrand	1112	1082	1093	1121
L'Oreal	2280	2215	2230	2320
LVMH	1464	1418	1445	1467
Michelin B	369	354	356.90	367.90
Paribas A	443	430.50	436	446.50
Pernod Ricard	303	290	300	301.90
Peugeot Cit	699	673	688	708
Pinault-Print	2640	2600	2615	2685
Promodes	2158	2110	2135	2177
Renault	162	155.30	157	166.30
Rexel	1625	1595	1610	1650
Rh-Poulenc A	240.80	232.70	238.80	242.80
Sanofi	604	580	588	603
Schneider	337.90	324.50	335	338
SEB	1020	984	1019	1004
SGS Thomson	566	552	557	571
Ste Generale	800	773	788	798
Sodexho	2890	2862	2862	2895
St Gobain	874	851	865	878
Suez (Cie)	15.25	15	15.25	15.20
Suez Lyon Eaux	628	602	624	630
Synthelabo	711	695	705	729
Thomson CSF	151.50	146.20	151.50	152.60
Total B	589	566	585	590
Usinor	111.90	106.50	110	112.10
Valeo	364	352	357.80	365

São Paulo
Bovespa index: 10946.20 Previous: 11234.90

	High	Low	Close	Prev.
Bradesco Pfd	10.90	10.40	10.45	10.90
Brahma Pfd	780.00	765.00	769.00	789.00
Cemig Pfd	53.50	51.52	52.10	54.51
CESP Pfd	81.50	78.00	78.00	82.01
Copel	16.20	16.20	16.20	16.60
Eletrobras	504.00	475.00	482.00	502.00
Itaubanco Pfd	630.00	620.00	622.99	634.00
Light Servicios	495.00	490.10	494.00	496.00
Lightpar	430.00	415.00	415.00	450.00
Petrobras Pfd	300.00	285.00	289.01	301.01
Paulista Luz	200.00	190.00	194.99	202.00
Sid Nacional	36.70	36.00	36.50	36.20
Souza Cruz	10.70	10.64	10.65	10.90
Telebras Pfd	138.00	131.00	132.61	137.00
Telemig	180.00	179.00	179.00	182.00
Telerj	149.00	140.00	142.50	148.50
Telesp Pfd	328.00	319.99	322.00	326.00
Unibanco	37.42	37.00	37.00	37.69
Usiminas Pfd	11.05	10.80	10.90	11.15
CVRD Pfd	25.50	24.95	25.10	25.40

Seoul
Composite index: 747.29 Previous: 755.78

	High	Low	Close	Prev.
Dacom	95000	91500	93000	95500
Daewoo Heavy	7940	7800	7850	7950
Hyundai Eng.	21500	20900	20900	21500
Kia Motors	13700	13000	13000	13300
Korea El Pwr	26200	25700	26100	25700
Korea Exch Bk	5640	5550	5570	5640
LG Semicon	45500	42500	43000	45500
Pohang Iron St	61900	60300	61000	61100
Samsung Display	48300	47400	47800	48700
Samsung Elec	72500	71000	71100	73500
Shinhan Bank	9700	9500	9550	9550
SK Telecom	497000	485000	489500	500000

Singapore
Straits Times: 1918.85 Previous: 1953.88

	High	Low	Close	Prev.
Asia Pac Brew	5.45	5.40	5.40	5.40
Cerebos Pac	5.05	4.74	4.76	5.10
City Devts	11.70	11.30	11.40	11.80
Cycle Carriage	11.60	11.20	11.60	11.70
Dairy Farm Int*	0.92	0.90	0.92	0.94
DBS foreign	17.20	15.60	16.70	15.80
DBS Land	4.46	4.36	4.36	4.48
Fraser & Neave	9.15	8.90	9.05	9.20
HK Land*	3.26	3.02	3.10	3.10
Jard Matheson*	7.55	6.65	6.75	7.65
Jard Strategic*	4.10	4	4	4.16
Keppel A	6.25	5.85	6.20	6.10
Keppel Bank	3.70	3.58	3.58	3.76
Keppel Fels	4.70	4.62	4.64	4.74
Keppel Land	4.18	4.02	4.12	4.20
OCBC foreign	12.70	11.70	12.20	12.20
OS Union Bk F	8.30	7.75	8.20	8
Parkway Hdgs	6.40	6.30	6.35	6.45
Sembawang	6.65	6.40	6.50	6.50
Sing Air foreign	11.50	10.60	11.40	11
Sing Land	7.05	7	7.05	7.05
Sing Press F	23.70	21.90	23	22
Sing Tech Ind	3.64	3.50	3.54	3.64
Sing Telecomm	2.59	2.43	2.41	2.48
Tat Lee Bank	2.76	2.72	2.75	2.90
Utd Industrial	1.06	1.03	1.05	1.07
Utd OSea Bk F	13.50	12.30	13.10	12.30
Wing Tai Hdgs	3.76	3.64	3.66	3.74

*: in U.S. dollars.

Stockholm
SX 16 index: 3442.51 Previous: 3458.27

	High	Low	Close	Prev.
AGA B	110	107	109.50	110
ABB A	118	113	117	116.50
AssiDoman	242	232	239.50	242.50
Astra A	134	129.50	132.50	134
Atlas Copco A	251.50	240	250	247
Autoliv	289	282.50	287.50	287.50
Electrolux B	605	580	600	590
Ericsson B	351	340	347.50	348.50
Hennes B	312	299	301	314
Incentive A	740	732	732	750
Investor B	428	400.50	407.50	410
MoDo B	290	282	289	290
Nordbanken	253.50	245	252	259
Pharm/Upjohn	275.50	270	275.50	274
Sandvik B	250.50	245	248	252
Scania B	223	213	222	217
SCA B	188	182	186.50	189
S-E Banken A	85.50	82.50	85	85
Skandia Fors	317	310	315	318
Skanska B	335	325	331	331
SKF B	222	215	217	223
Sparbanken A	175	167	173	176.50
Stora A	137.50	130	136	137
Sv Handles A	250	245	247.50	253
Volvo B	220	216	218.50	221

Sydney
All Ordinaries: 2618.50 Previous: 2646.20

	High	Low	Close	Prev.
Amcor	8.26	7.96	8.23	8.24
ANZ Bking	10	9.75	9.92	10.25
BHP	17.18	16.91	17.11	17.50
Boral	3.84	3.59	3.83	3.90
Brambles Ind.	27.70	26.99	27.70	27.70
CBA	15.90	15	15.84	16.59
CC Amatil	14.80	14.42	14.71	15
Coles Myer	6.51	6.30	6.33	6.60
Comalco	6.70	6.59	6.60	6.75
CSR	5.10	4.90	5.10	5.16
Fosters Brew	2.62	2.55	2.61	2.64
Goodman Fld	1.98	1.92	1.97	1.99
ICI Australia	12.88	12.41	12.85	12.90
Lend Lease	29.40	28.30	29.40	29.32
MIM Hdgs	1.72	1.68	1.70	1.76
Nat Aust Bank	19.01	18.60	18.96	19.21
Nat Mutual Hdg	2.09	2	2.08	2.11
News Corp	5.93	5.77	5.92	5.95
Pacific Dunlop	3.58	3.29	3.58	3.54
Pioneer Intl	4.84	4.68	4.84	4.82
Pub Broadcast	7.98	7.80	7.93	8.16
Rio Tinto	21.12	20.81	20.98	21.48
St George Bank	8.30	8.18	8.29	8.45
WMC	7.33	7.21	7.28	7.47
Westpac Bking	8.25	8.01	8.21	8.36
Woodside Pet	11.05	10.82	10.88	11.08
Woolworths	4.14	3.96	4.10	4.20

To Our Readers

The Taipei stock market was closed Monday due to a typhoon.

The Trib Index

Prices as of 3.00 P.M. New York time

Jan. 1, 1992 = 100.	Level	Change	% change	year to date % change
World Index	171.34	-1.75	-1.01	+14.89
Regional Indexes				
Asia/Pacific	129.41	-0.52	-0.40	+4.84
Europe	179.73	-1.64	-0.90	+11.50
N. America	200.37	-2.16	-1.07	+23.75
S. America	160.92	-5.00	-3.01	+40.63
Industrial Indexes				
Capital goods	221.54	-2.48	-1.11	+29.62
Consumer goods	185.61	-2.27	-1.21	+14.98
Energy	191.71	-0.49	-0.25	+12.30
Finance	131.78	-1.04	-0.78	+13.15
Miscellaneous	186.41	-1.31	-0.70	+15.22
Raw Materials	183.52	-2.25	-1.21	+4.64
Service	160.90	-1.68	-1.03	+17.17
Utilities	161.11	-3.61	-2.19	+12.30

The International Herald Tribune World Stock Index © tracks the U.S. dollar values of 280 internationally investable stocks from 25 countries. For more information, a free booklet is available by writing to The Trib Index, 181 Avenue Charles de Gaulle, 92521 Neuilly Cedex, France. Compiled by Bloomberg News.

Tokyo
Nikkei 225: 19041.10 Previous: 19326.83

	High	Low	Close	Prev.
Ajinomoto	1120	1090	1110	1140
All Nippon Air	705	697	703	702
Amway	3400	3350	3380	3420
Asahi Bank	860	854	856	862
Asahi Chem	601	592	595	605
Asahi Glass	990	971	977	995
Bk Tokyo Mitsu	2330	2310	2330	2350
Bk Yokohama	515	510	511	520
Bridgestone	2820	2770	2800	2890
Canon	3700	3620	3700	3770
Chubu Elec	2030	2010	2030	2020
Chugoku Elec	1950	1930	1950	1930
Dai Nipp Print	2750	2730	2750	2770
Daiei	845	838	850	841
Dai-Ichi Kang	1480	1430	1470	1460
Daiwa Bank	613	593	613	623
Daiwa House	1390	1340	1370	1400
Daiwa Sec	793	760	792	764
DDI	7100a	6860a	7000a	7130a
Denso	2860	2810	2850	2880
East Japan Ry	5500a	5420a	5500a	5520a
Eisai	2510	2470	2480	2470
Fanuc	4960	4860	4950	5080
Fuji Bank	1600	1570	1590	1570
Fuji Photo	4850	4720	4820	4950
Fujitsu	1670	1630	1670	1700
Hachijuni Bk	1160	1130	1160	1140
Hitachi	1240	1220	1230	1240
Honda Motor	3740	3640	3740	3760
IBJ	1740	1710	1730	1750
IHI	382	363	382	383
Itochu	508	500	508	511
Ito-Yokado	6750	6650	6750	6710
JAL	480	476	479	479
Japan Tobacco	9750a	9500a	9750a	9540a
Jusco	3410	3370	3370	3420
Kajima	602	592	601	610
Kansai Elec	2190	2150	2180	2170
Kao	1770	1710	1740	1730
Kawasaki Hvy	475	460	475	466
Kawa Steel	313	301	313	310
Kinki Nipp Ry	684	680	684	682
Kirin Brewery	960	942	952	960
Kobe Steel	179	173	179	178
Komatsu	805	796	803	808
Kubota	491	476	484	477
Kyocera	9080	8930	9070	9170
Kyushu Elec	1940	1910	1940	1900
LTCB	584	572	577	586
Marubeni	449	433	449	447
Marui	1910	1820	1910	1820
Matsu Comm	4730	4600	4710	4800
Matsu Elec Ind	2380	2340	2370	2400
Matsu Elec Wk	1370	1350	1370	1370
Mitsubishi	1300	1260	1280	1300
Mitsubishi Ch	305	296	305	300
Mitsubishi El	589	576	584	598
Mitsubishi Est	1700	1670	1700	1710
Mitsubishi Hvy	800	793	799	799
Mitsubishi Mat	709	695	705	700
Mitsubishi Tr	1780	1730	1780	1780
Mitsui	1080	1060	1060	1070
Mitsui Fudosn	1470	1450	1470	1480
Mitsui Trust	717	700	717	727
Murata Mfg	5620	5590	5590	5700
NEC	1610	1580	1610	1630
Nikko Sec	2540	2450	2480	2560
Nikon	612	601	612	612
Nintendo	11000	10700	11000	11300
Nipp Express	730	710	724	741
Nippon Oil	510	488	497	503
Nippon Steel	318	310	318	318
Nissan Motor	775	757	760	785
NKK	197	192	196	196
Nomura Sec	1660	1630	1650	1660
NTT	1180b	1160b	1180b	1180b
NTT Data	5400b	5210b	5400b	5360b
Oji Paper	608	590	599	611
Osaka Gas	272	268	270	272
Ricoh	1820	1800	1810	1860
Rohm	14300	14200	14200	14800
Sakura Bk	775	740	740	766
Sankyo	3960	3870	3960	3990
Sanwa Bank	1600	1580	1590	1610
Sanyo Elec	451	437	451	450
Secom	8730	8670	8730	8800
Seibu Rwy	5510	5440	5500	5310
Sekisui Chem	1060	1020	1050	1030
Sekisui House	1160	1140	1160	1170
Seven-Eleven	8930	8850	8910	8910
Sharp	1330	1300	1320	1330
Shikoku El Pwr	1900	1880	1890	1920
Shimizu	593	581	592	584
Shin-etsu Ch	3340	3240	3300	3380
Shiseido	2130	2040	2120	2090
Shizuoka Bk	1210	1190	1210	1210
Softbank	5730	5640	5700	5790
Sony	11600	11400	11500	11900
Sumitomo	992	966	989	976
Sumitomo Bk	1900	1870	1900	1910
Sumit Chem	454	441	454	454
Sumitomo Elec	1950	1930	1950	1940
Sumit Metal	285	279	279	284
Sumit Trust	1240	1210	1230	1260
Taisho Pharm	3200	3180	3190	3200
Takeda Chem	3640	3530	3600	3560
TDK	10200	9800	10100	10400
Tohoku El Pwr	1950	1920	1940	1940
Tokai Bank	1030	1020	1030	1030
Tokio Marine	1500	1460	1480	1520
Tokyo El Pwr	2260	2240	2250	2270
Tokyo Electron	7780	7600	7650	7900
Tokyo Gas	286	283	285	286
Tokyu Corp.	625	612	623	626
Tonen	1130	1100	1120	1130
Toppan Print	1840	1820	1840	1860
Toray Ind	782	766	781	775
Toshiba	732	721	728	730
Tostem	2470	2390	2450	2400
Toyo Trust	998	965	992	990
Toyota Motor	3350	3230	3330	3350
Yamanouchi	3020	2960	2990	3070

a: x 100; b: x 1,000

Toronto
TSE Industrials: 6685.82 Previous: 6695.09

	High	Low	Close	Prev.
Abitibi Cons.	26¼	25¼	25.40	26.35
Alberta Energy	31	30¼	30.85	31¼
Alcan Alum	50.60	49½	49.80	50.60
Anderson Expl	17	16.60	16.85	16.80
Bk Montreal	55½	53.80	54.45	55.20
Bk Nova Scotia	62.55	60.45	61.30	62.30
Barrick Gold	32.35	32	32.20	32.55
BCE	39.90	38½	39.20	39.70
BC Telecomm	34.90	34¼	34½	34.95
Biochem Pharm	35.65	35	35.10	35.50
Bombardier B	32¼	30.90	30.95	32.35
Cameco	50½	49¼	49¼	50.85
CIBC	37.95	35.85	37	37.40
Cdn Natl Rail	69	67½	67¾	68.60
Cdn Nat Res	36.40	35.70	35.85	36¼
Cdn Occid Pet	34.70	33.70	33.80	34.40
Cdn Pacific	41.70	40.90	41.05	41.85
Cominco	38¼	37.60	37.70	38¼
Dofasco	29.60	27½	28.60	29¼
Domtar	11.80	11¼	11¼	11.85
Donohue A	32.40	32¼	32¼	33.15
Du Pont Cda A	32.45	32	32	32.40
EdperBrascan	23½	23.05	23.10	23.45
EuroNev Mng	23	22½	23	23
Fairfax Finl	383	380	383	383
Falconbridge	27¼	27.15	27.35	27.55
Fletcher Chall A	23.15	23.05	23.10	23.40
Franco Nevada	34.60	33½	33.65	34¼
Gulf Cda Res	10.15	9.95	9.95	10.15
Imperial Oil	72.40	71.85	72.35	72¼
Inco	40¼	39¼	40	40.70
IPL Energy	51.25	50.90	50.95	51.05
Laidlaw B	20.40	20.05	20¼	20¼
Loewen Group	43	42.20	42.30	43
Macmill Bldl	18.45	17.90	18.20	18.70
Magna Intl A	88¼	86.90	87½	87¼
Methanex	11.80	11.45	11.80	11.45
Moore	28¼	27½	28¼	28¼
Newbridge Net	60.20	59.10	59.20	59¼
Noranda Inc	28¼	27.90	28.05	28.35
Norcen Energy	34.90	34½	34¼	35
Nthern Telecom	136	132.90	134.10	136
Nova	11¼	11¼	11.35	11¼
Onex	31.05	31	31	31¼
Pancdn Petlm	26.65	26	26.30	26.40
Petro Cda	25.60	24.85	24.85	25¼
Placer Dome	24.45	24.10	24.20	24.60
Poco Petlm	13.60	12.90	12.90	13.40
Potash Sask	104¼	102½	102½	103.40
Renaissance	35½	34.65	35	35½
Rio Algom	34.90	34¼	34¼	34.70
Rogers Cantel B	28	27¼	27½	28½
Seagram Co	49¼	47¼	48.60	48.95
Shell Cda A	21¾	21.20	21.55	21.70
Suncor	44	42.65	42.95	43.85
Talisman Eny	43.60	42.70	43¼	43.40
Teck B	28	26	26½	27
Teleglobe	49¼	48	49½	49.70
Telus	26.40	26.10	26.30	26¼
Thomson	33.30	32.80	32.90	33.05
TorDom Bank	41.05	39½	40.45	40.90
Transalta	17¼	16.90	17.05	17.15
TransCda Pipe	26.60	25¼	26.05	26.55
Trimark Finl	64¼	61	63.80	65.40
Trizec Hahn	32.15	31.80	31.90	32
TVX Gold	7.20	7.10	7.15	7.20
Westcoast Eny	26.40	25¼	25¼	26.30
Weston	94¼	93	93	94

Vienna
ATX index: 1349.78 Previous: 1382.75

	High	Low	Close	Prev.
Boehler-Uddeh	980	962	967.15	1006
Creditanst Pfd	562.60	548.50	556.90	576
EA-Generali	3088.40	3001	3084.60	3150
EVN	1572	1533	1572	1583.85
Flughafen Wien	510	498	508	511.50
OMV	1690	1640	1654.80	1736.90
Oest Elektriz	873	865.45	867.20	875
VA Stahl	564.95	526	562	556.50
VA Tech	2339	2221	2324.50	2390
Wienerberg Bau	2569	2400	2545	2569.75

Wellington
NZSE-40 index: 2478.82 Previous: 2495.63

	High	Low	Close	Prev.
Air N Zeald B	4.55	4.45	4.55	4.62
Brierly Invt	1.37	1.35	1.36	1.39
Carter Holt ord	3.47	3.35	3.47	3.41
Fletch Ch Bldg	4.25	4.22	4.25	4.30
Fletch Ch Eny	5.43	5.35	5.36	5.50
Fletch Ch Forst	1.92	1.85	1.90	1.92
Fletch Ch Paper	3.22	3.15	3.21	3.25
Lion Nathan	3.96	3.94	3.96	4
Telecom NZ	7.53	7.45	7.52	7.60
Wilson Horton	11.88	11.88	11.88	11.95

Zurich
SPI index: 3492.81 Previous: 3547.12

	High	Low	Close	Prev.
ABB B	2309	2230	2299	2300
Adecco B	550	540	549	549
Alusuisse R	1364	1315	1340	1384
Ares-Serono B	2470	2310	2450	2429
Alel R	870	865	870	865
Baer Hdg B	2145	2070	2120	2200
Baloise Hdg R	3985	3775	3940	3870
BK Vision	1090	1030	1080	1120
Ciba Spec Chem	130	123.50	129.75	128.50
Clariant R	1010	980	1010	1030
Crd Suisse Gp R	184.25	177	181	186
Elektrowatt B	538	537	537	537
Ems-Chemie	6805	6400	6800	6775
ESEC Hdg	4560	4250	4560	4550
Holderbank B	1238	1169	1231	1210
Liechtenst LB B	588	580	588	592
Nestle R	1835	1801	1821	1870
Novartis R	2157	2074	2135	2177
Oerlikon Buehr R	164	151.50	159	158
Pargesa Hld B	1900	1810	1900	1890
PharmaVisn B	900	865	894	930
Richemont A	2100	2015	2100	2100
Pirelli PC	330	320	329	339
Roche Hdg PC	13490	12800	13315	13325
SBC R	391	369	388.50	399.50
Schindler PC	1900	1715	1880	1825
SGS B	3051	2985	3015	2995
SMH B	890	860	885	896
Sulzer R	1165	1140	1155	1193
Swiss Reins R	2089	2010	2056	2109
Swissair R	1880	1800	1880	1900
UBS B	1484	1463	1473	1517
Winterthur R	1348	1301	1332	1380
Zurich Assur R	579	555	579	584

Yeltsin Upbeat On Chechnya After Meeting Rebel Leader

ASIA/PACIFIC

Seeing Slow Growth, S&P Lowers Ratings On Malaysia's Credit

Bloomberg News

KUALA LUMPUR — Standard & Poor's Corp. cut Malaysia's credit-rating outlook on Monday and warned that slower-than-expected economic growth could harm the country's banking system.

"With the authorities under pressure to curb rapid credit growth, and the economy likely to slow further as a result, asset quality problems likely will surface in the banking system," the U.S. credit agency said.

In another development, Prime Minister Mahathir bin Mohamad said Malaysia had to grow fast to catch up with developed nations.

"We have to move fast and run faster. If we were to run slower, we will never catch up and the gap would be even greater and forever, we will be left behind," the prime minister said on a visit to eastern Sarawak state.

"It is not overheating. It is well-planned development," Mr. Mahathir said.

Standard & Poor's shaved Malaysia's long-term foreign and local currency credit outlook to stable from positive. It also affirmed Malaysia's A-plus long-term foreign currency rating, and its AA-plus local currency ratings.

The outlook for state-owned oil company Petroliam Nasional Bhd., or Petronas, and Telekom Malaysia Bhd., the state-controlled telecommunications operator, were also cut from positive to stable.

The change in rating meant that raising money from overseas would become more costly, said Lai Tak Heong, head of research at SocGen-Crosby Research Sdn. "This will add more pressure for the government to scale back on big infrastructure projects," he said.

Malaysia's growth is expected to slow to 7 percent this year and 6 percent in 1998 from 8.2 percent in 1996 and 9.5 percent in 1995, S&P said. That forecast was below the central bank's official forecast of growth this year of between 7.8 percent and 8.2 percent. Only three days ago, Mr. Mahathir said that he expected gross domestic product to reach 8 percent this year.

The decline, even though "moderate" could have "discomforting" implications on the financial industry's asset quality, the credit-rating company said.

"That, in turn, could rebound against the public sector, thanks to its sponsorship of a number of big infrastructure projects, its equity stakes in some banks, and overall government support of the system."

Reuters

COOL COMPETITION — An elderly woman selling popsicles on Nanjing Road in Shanghai. Demand for popsicles has declined in China as the variety of ice cream available has multiplied.

Auto Sales Help Japan's Surplus Rise 70% in July

Compiled by Our Staff From Dispatches

TOKYO — Japan's trade surplus rose 70 percent in July from a year ago, the Finance Ministry said Monday, but analysts said the rise was lower than many had predicted because imports unexpectedly rose.

Japan posted a trade surplus of 849.08 billion ($7.22 billion) for the month. It was the fourth monthly rise in Japan's surplus in merchandise trade, following a 27.7 percent increase in June and a 222.2 percent jump in May, the Finance Ministry said.

The surplus with the United States, Japan's biggest trading partner, expanded 35.7 percent, to 420.55 billion yen — the 10th consecutive monthly rise. But analysts said turmoil in Asian currencies and prospects of few rewards to reap from a trade war mean the United States would probably stay calm, at least for now, despite Japan's growing trade surplus.

Imports rose 3.4 percent last month as Japan bought more airplanes and pork.

Exports from Japan grew 12.1 percent in July. Automakers, such as Honda Motor Corp. and Toyota Motor Co., have dramatically increased the number of cars they ship overseas in recent months.

U.S. officials said they were concerned that Japan's surplus could keep rising into next year, particularly if car exports to the United States continue to increase while car imports continue to slow on weak demand in Japan.

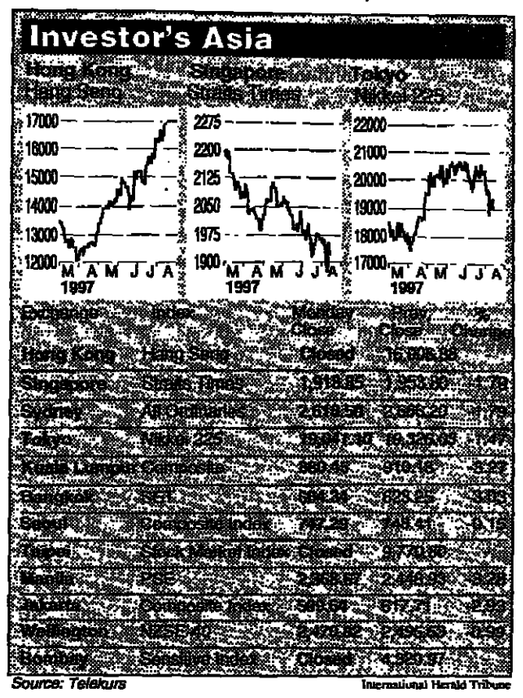
Japanese officials say, however, that the pace of increase in the surplus will slow and that structural reforms in the economy will work to bring it down.

Deputy U.S. Trade Representative Jeffrey Lang reiterated Washington's concern about the rising trend after the data were released, but he added that he had not discussed the trade surplus in talks with a Finance Ministry official on Monday.

U.S. trade officials, led by Trade Representative Charlene Barshefsky, have been sounding the alarm about Japan's yawning trade gap and accusing Tokyo of failing to honor a 1995 pact on greater access to its automotive market.

Economists say that for now, key Washington policymakers think they have little to gain from a high-profile attack on Japanese economic policies at a time when Tokyo has taken the lead in forging a bailout package aimed at easing a financial crisis in Thailand and countering regional currency turmoil.

(AP, Reuters)



Very briefly:

- **Matsushita Electric Industrial Co.** will lead a consortium of companies that will submit a proposal to the European Computer Manufacturers' Association to adopt DVD-RAM as a standard for the next generation of personal-computer storage devices and home video players.
- **Toyota Motor Corp.** will invest at least 1 billion Australian dollars ($741.5 million) in Australia over the next eight years and start building luxury cars there in a bid to become the country's largest automaker. The move follows a decision by the Australian government to maintain tariffs on imported cars at 15 percent from 2000 to 2004.
- **QNI Ltd.**, Australia's second-largest nickel producer, said second-half net profit fell 44 percent, to 18.8 million dollars, due to poor weather conditions and weak metal prices. Profit for the year dropped 62.3 percent, to 32.1 million dollars.
- **Hanjoo Corp.**, a South Korean apparel exporter, declared itself insolvent after failing to honor 1.15 billion won ($1.3 million) of promissory notes.
- **Turkmenistan** will offer about 25 percent of the total oil and gas deposits under its sector of the Caspian Sea shelf at an international tender, the Interfax News Agency.
- **Arco Coal Australia Inc.**, a unit of **Atlantic Richfield Co.**, said it was seeking buyers for its Blair Athol, Gordonstone and Clermont coal mines in central Queensland.
- **Transmile Group Bhd.** agreed to sell a 35 percent stake in Transmile Air Services Sdn., its air-cargo transport business, to **Konsortium Perkapalan Bhd.**, a company controlled by the son of Prime Minister Mahathir Mohamad of Malaysia, for 78.75 million ringgit ($28.3 million) in cash.
- **News Corp.** is expected to report that two movie flops, "Speed II" and "Volcano," prevented the global media group from achieving Rupert Murdoch's 20 percent profit growth forecast for the 1996/97 year. Analysts said they expected profit to have grown by only about 12 percent in the year ended June 30.

Bloomberg, Reuters, AFP, Bridge News

China Hints at Shareholding System

Agence France-Presse

BEIJING — China has signaled its willingness to relinquish one of the last bastions of socialism — state ownership of industry — and transform tens of thousands of state enterprises into shareholding firms.

"Most of the large and medium-sized state-owned enterprises in China, which at present are solely state-owned, should be transformed into shareholding companies in the future," the official Xinhua news agency said Monday, citing senior economists and officials.

"A shareholding system is an essential and feasible means of reforming the state-owned economy and will lead to a breakthrough in the decade-long reform of China's economic system," Xinhua said.

China's lumbering state sector employs more than 100 million people, but around 35 percent of state-owned enterprises have debt greater than their assets.

Xinhua also announced Monday that the value of China's state-owned assets had reached 6.6 trillion yuan ($793 billion) by the end of last year, an increase of 15.4 percent from the previous year's official figure.

Large and medium-sized state enterprises had a combined asset value of more than 8.9 billion yuan, or 75 percent of the total, Xinhua said. Small firms, which make up 80 percent of the state sector, contributed the remaining 25 percent.

The question of how best to reform the state sector has drawn battle lines between liberal market reformers and conservative hard-liners in the party leadership.

Hard-liners argue that state assets must remain in government hands to retain industrial control and prevent mass layoffs that might spark unrest.

The struggle has intensified in the run-up to the crucial 15th Party Congress, which will draw up a blueprint for economic policy over the next five years.

Xinhua's commentary on Monday pointed to recent statistics released by the State Commission for Restructuring the Economy that indicated the benefits of the shareholder system.

The 100 state companies selected to experiment with shareholding in 1994 have seen their total assets grow 27 percent to more than 360 billion yuan by the end of last year.

"At the root of the poor performance of state ventures is the 'state-ownership' of their assets — an abstractly defined practice which doesn't fall in step with the socialist market economy," Xinhua quoted a noted economist, Wei Jie, as saying.

"Therefore, transforming these businesses into shareholding companies will prove to be the wisest way to lead them out of financial dilemma," Mr. Wei said.

His comments were echoed by the vice chairman of the Chinese Economy Restructuring Research Society, Yang Qixian, who said a shareholding system would force enterprises to become more market-oriented, "rather than responsive only to government departments."

Auto Products Steer Pioneer Profit Up 28%

Reuters

TOKYO — Pioneer Electronic Corp., aided by rising sales of automotive navigation systems, said Monday its first-quarter profit rose 28 percent over the corresponding period last year.

For the three months to June 30, Pioneer said that it earned 1.03 billion yen ($8.75 million), up from 804 million yen a year earlier, although sales inched up to 129.81 billion yen from 128.98 billion.

The company had been suffering from slow sales of laser-disk players, which are waning in popularity as the new DVD format grows.

"Profitability in the car electronics division improved, helping to raise operating profits as a whole," said a Pioneer spokesman. "We expect higher sales of DVD players to help make up for shrinking sales of LDs this year," he said referring to laser disks.

The company said it expected to meet its net profit forecast for the year of 8 to 9 billion yen.

Analysts said Pioneer stood to benefit more than other Japanese electronics makers from sales of DVD players, whose popularity is still limited because of a scarcity of video titles and other prerecorded content available in the DVD format.

"Pioneer, which focuses on DVD-LD compatible players, is well positioned in the sales race because consumers can also play conventional laser disks on Pioneer's machines," said Yoshiharu Izumi, an analyst at UBS Securities.

Restructuring Plan Helps Buoy Fujita's Share Price

Compiled by Our Staff From Dispatches

TOKYO — Fujita Corp. shares rose 18 percent Monday after Japanese media reported that more than 10 banks had approved the construction company's restructuring plan.

A spokesman for Fujita said it would cut its work force by 560 workers, to 4,900 employees through natural attrition, and would halt new recruitment and an early retirement program.

The company said it would also try to improve the profit margin of its construction projects to 10.1 percent by the year 2000, from 8.9 percent currently.

The general contractor would cut its work force by 10 percent and reduce interest-bearing debt by 157.4 billion yen ($1.3 billion) to 480 billion yen by selling real estate and securities, the Yomiuri newspaper reported.

Sakura Bank Ltd., Tokai Bank Ltd. and Industrial Bank of Japan Ltd. were among the banks that approved the bailout plan, the Mainichi newspaper said.

Fujita stock rose 16 yen to 106 from Friday close.

(Bloomberg, Reuters)

■ Japan's Land Prices Continue to Drop

Japanese land prices dropped almost 8 percent on average in 1996, falling for the fifth consecutive year, Reuters reported, citing a government report.

The National Tax Administration said the price of one square meter (10.76 square feet) of land in urban areas averaged 176,000 yen nationwide in 1996, down from 192,000 yen a year earlier.

But even with the latest drop, land in Ginza, Japan's most expensive commercial district in central Tokyo, cost 11.36 million yen per square meter, down 5.3 percent from a year earlier.

In the five years prior to 1991, Tokyo property prices soared 170 percent, fueling a "bubble" economy of inflated asset prices. Property prices peaked out and started falling in 1992.

Japan Committee Proposes Privatization of Postal Units

Bridge News

TOKYO — The head of a subcommittee of the government's Administrative Reform Council presented a proposal Monday to privatize the postal ministry's mail delivery, savings and insurance services, panel members said, according to Kyodo news agency.

Tokiyasu Fujita, a professor of Tohoku University who heads the council's subcommittee on organizational issues, also recommended that the Finance Ministry's printing and mint bureaus should also be privatized.

The three services run by the Posts and Telecommunications Ministry should first be shifted to an "independent administrative corporation" in an agency to be set up outside the ministry before being privatized, according to the proposal. It was also recommended that employees at such corporations not continue as employees of the central government.

Some council members were opposed to Mr. Fujita's recommendations. Jinnosuke Ashida, who is also chief of a trade-union federation, said the three postal services should continue to be run by the government.

BANKS: *Details Mire Planned Bavarian Merger*

Continued from Page 11

Allianz's current share price divided by six — as opposed to around 78 DM for every Hypobank share swapped for Vereinsbank shares in the second phase at a ratio of 45 to 55.

Hypobank shares, which rose to 73.45 DM from 66.70 on July 23, the day the deal was announced, closed at 68.45 DM on Monday, down 17 pfennig. Bayerische Vereinsbank stock, meanwhile, has settled back to 94 DM after rising to 99.75 DM the day the deal was announced. Allianz stock, meanwhile, closed Monday at 418 DM, up 50 pfennig.

"The trouble is, the market seems to assume greater synergy benefits than has been allowed for by the Hypobank/Allianz swap," Mr. Brown said.

He noted that this presented investors with something of a dilemma. "If everybody bangs onto their shares, nobody gets the benefits. But on the bare figures, it looks more attractive to hang on," he said.

Part of the higher price for hanging on is a risk premium, Mr. Brown said, to compensate for the uncertainty of what ratio Vereinsbank will use in the second phase. Another drawback is that Vereinsbank and Hypobank do not have a convincing option for Hypobank shareholders who like the deal and want to be part of it.

"What Hypobank would say is convert to Allianz and buy back into Vereinsbank, but you would lose around 10 DM" per share, Mr. Brown said.

Added to the financial disincentives of taking part in the swap, there are other grounds for sitting on the fence.

"A lot of people don't want to swap for very good technical reasons," said a London-based analyst. "For an index fund manager, you probably have a certain index weighting for Allianz. If you swap you, will end up with excess Allianz."

Allianz is one of the most heavily weighted stocks in the DAX, with a share of 9.7 percent.

Moreover, many institutional investors are looking for dividend yields, which will be lost by exchanging six shares paying six dividends for just one share.

"An insurance company which needs to give a 3 percent annual yield to institutional clients will get far less dividend on one Allianz share than six Hypobank shares," the unnamed analyst said.

A study by Goldman, Sachs & Co., one of the advisers on the deal, suggested that the 45-to-55 ratio is an overvaluation of Hypobank's fair value and is trying "to spook people who want to hang onto their shares into selling into the market," he said.

In the event of the deal collapsing, it is unlikely Hypobank's share price will stay down for long.

It "could go down for a while but would pick up very quickly," said the analyst in London. "If Vereinsbank is forced to walk away, it's clear from Hypo's lack of capital generation someone else will come along and buy Hypo, like Dresdner" Bank AG.

"If it did collapse, it would really throw the cat among the pigeons," Mr. Brown said.

■ Another Bank Merger Is on Track

Bankgesellschaft Berlin AG said Monday that its merger talks with Norddeutsche Landesbank were proceeding according to plan and that there was no reason to doubt that the fusion would go ahead, Reuters reported from Berlin.

"There is no need to cast doubt on the merger project," a Bankgesellschaft spokeswoman said.

The magazine Der Spiegel reported the chances of a merger had deteriorated because Bankgesellschaft was disappointed at the first valuation of the two banks and because of differences about the name of the new bank and the representation on its supervisory board. Bankgesellschaft and Norddeutsche Landesbank, both state-owned banks, said in May they were beginning merger talks to create one of the country's largest banking groups.

Bankgesellschaft is currently 56 percent owned by the government of Berlin, while Norddeutsche Landesbank is owned by three different federal states. The Spiegel report said Bankgesellschaft had been disappointed at a valuation that revealed weaknesses in Norddeutsche's investment banking business.

ATTACK: *New Victims of Asia's Currency Crisis*

Continued from Page 11

enough not to blame "speculators" — who are in fact mostly locals taking precautions. The events are being taken in Jakarta as a warning that even a current-account deficit of 4 percent of domestic product may now be too large for a country of Indonesia's size to be easily financed and that stable, long-term sources of capital are vital. Countries without foreign-exchange controls must keep short-term debt to a minimum if they want stable exchange rates.

The other lesson is that unless invested wisely — not in luxury offices and poorly run heavy industries — foreign capital ends up more of a burden than a help.

But that is a lesson that Hong Kong, too, may have to learn. Hong Kong's 14-year-old peg to the dollar is in no immediate danger. With its current account roughly in balance, it has $70 billion in exchange reserves and backing from China with more than another $100 billion.

But asset inflation and sharp growth in loans on property are even more apparent here than anywhere else in the region. Residential property values have risen tenfold in 12 years and 30 percent over the past 12 months. Profits to developers and government now account for an astonishing 12 percent of GDP.

The latest price spike has been made possible by a surge in money supply caused by capital inflows into the stock market. This is mainly portfolio money from the United States and Europe, although the past few months have also seen significant amounts of mainland money. The Hang Seng index has been following the Dow Jones industrial average for the past 18 months.

Western portfolio managers now have at least $50 billion invested in this real estate and banking-driven market, which is also awash with highly geared derivatives. Many funds investing in Asia have more invested here than in all the rest of Asia ex-Japan combined.

But foreign money that drives up asset prices rather than creating new productive assets has a habit of causing disasters. It has happened before in Hong Kong. Now, large net capital outflows would drain liquidity, put interest rates under pressure and ultimately threaten the stability of a banking system that has more than 40 percent of its loans in property.

It is not clear whether international operators are beginning to sense this underlying flaw in Hong Kong or are simply assuming that all dollar pegs are doomed and it is Hong Kong's turn to get hit.

In the short run, speculative attacks on the Hong Kong dollar are doomed to failure. But if portfolio managers start to appreciate how overweight they are in Hong Kong assets, the stock market would be in trouble. If they simply want to take out insurance against an eventual end to the dollar peg, the risk premium on the Hong Kong dollar would mean higher interest rates, and this would threaten property values. Hong Kong markets could be in for a rough ride and a fall in dollar-based asset values as steep as that seen in Indonesia.

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Shareholders are hereby convened to the

ANNUAL GENERAL MEETING

of shareholders of our company which will take place at the offices of Banque Internationale à Luxembourg, 69, route d'Esch, L-1470 Luxembourg, on August 29, 1997 at 15:00 p.m. for the purpose of considering and voting upon the following agenda:

1. Submission of the Reports of the Board of Directors and of the Auditor;
2. Approval of the Statement of Net Assets and of the Statement of Operations for the year ended as at March 31, 1997; Allocation of the net results;
3. Discharge to the Directors;
4. Statutory Appointments;
5. Miscellaneous.

Shareholders are advised that no quorum is required for the items of the agenda of the Annual General Meeting and that decisions will be taken at the majority of the votes expressed by the shareholders present or represented at the meeting.

In order to attend the meeting the owners of bearer shares have to deposit their shares five clear days before the meeting at the offices of Banque Internationale à Luxembourg, 69, route d'Esch, L-1470 Luxembourg.

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The Associated Press.

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(Continued)

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m ABC Islamic Fund (E.C.) $ 146.98
m ABC Global Recovery Fd $ 141.77
m ABC Global Bond Fd $ 122.34
003 ABN AMRO BANK, P.O. Box 283, Amsterdam
w Columbia Securities Fl 159.03
w Trans Europe Fund Fl Fl 188.41
w Trans Europe Fund $ $ 88.43
w Alvento Fl 230.80
004 ABN AMRO Funds
d Latin America Eq Fd $ 74.78+
d North America Eq Fd $ 103.83+
d Asian Tigers Eq Fd $ 65.79+
d Europe Equity Fd $ 94.95+
d Japan Equity Fd $ 54.28+
d Germany Equity Fd DM 222.62+
d Global Bond Fd $ 64.12+
d Europe Bond Fd $ 64.69+
d US Bond Fund $ 61.57+
d Germany Bond Fd B DM 113.76+
d Spain Bond Fund Ptas 10861.00+
d Eastern Europe Eq Fd DM 290.26+
d China Equity Fd $ 92.47+
d Switzerland Equity Fd SF 161.99+
d Glob Em Markets Eq Fd $ 80.48+
d Netherlands Eq Fd Fl 97.98+
d Italy Equity Fund Lit 100148.00+
d Euro Bond Fund Ecu 49.84+
d Latin America Bond Fd $ 51.73+
d Italy Bond Fund Lit 99510.00+
d Malaysia Bond Fd $ 99.56+
259 ABN AMRO INTEREST GROWTH FUND
d ABN AMRO Intl Gth-BEF BEF 2625.00
d ABN AMRO Intl Gth-DEM DEM 118.82
d ABN AMRO Intl Gth-NLG NLG 129.44
d ABN AMRO Intl Gth-USD $ 60.97
d ABN AMRO Intl Gth-ITL ITL 100352.00
005 ABSOLUTE PERFORM T:31 20 5722 110
m Chorus International Ltd $ 122.55
m Keyser Int'l Ltd $ 104.88
m Pulsar (Multi) Ltd $ 131.33
006 ABN WORLDFOLIO MUTUAL FUNDS
d $ Daily Income $ 1.00
d DM Daily Income DM 1.00
d $ Bond Income $ 20.94
d Non - $ Bonds $ 30.62
d Global Bonds $ 24.63
d Global Balanced $ 25.42
d Global Equities $ 29.24
d US Conservative Equities $ 20.67
d US Aggressive Equities $ 27.80
d European Equities $ 18.43
d Pacific Equities $ 14.02
d Natural Resources $ 8.88
d Asia Growth Co $ 18.86
d Emerg Market Debt $ 17.23
007 AIG ASSET MANAGEMENT Ltd
d AIG Balanced World Fd $ 147.2749
d AIG Euro Small Co Fd Plc $ 284.4927
w AIG Japan Fund $ 66.0850
w AIG Japan Small Cos Fd $ 9.75
w AIG Latin America Fd Plc $ 203.0779
w AIG Emerg Asia Sm Cos $ 109.7616
w UBZ Euro-Optimizer Fund Ecu 16.99*
w UBZ Liquidity Fund $ $ 132.9491
w UBZ Liquidity Fund DM DM 140.4631
w UBZ Liquidity Fund Ecu Ecu 144.4533
w UBZ Liquidity Fund SF SF 132.1758
008 ALBATROS PERFORMANCE FUND
m Albatros Perf Financial $ 15781.57
m Albatros Perf Index DEM DM 18763.10
m Albatros Performance USD $ 20851.54
009 ALFRED BERG (Tel: 46 8 723 58 00)
ALFRED BERG NORDEN
d Aktiv Sek 278.96
d Likviditet Sverige Sek 110.12
d Obligation Sverige Sek 119.14
ALFRED BERG SICAV
d Global $ 260.97
d Germany DM 411.57
d Switzerland SF 323.49
d Europe DM 420.93
d North America $ 213.60
d Far East $ 177.39
d Japan Y 10770.00
010 ALLIANCE CAPITAL MANAGEMENT
c/o Bank of Bermuda (352-40446339)
w Alliance US Gr. Singles A $ 15.42
w Alliance US Gr. Singles B $ 15.20
c/o GOLDMAN SACHS (CAYMAN)
m ACM Research Fd - Class I $ 1123.28
011 ALPHA FUND MANAGEMENT, LTD
48 Par-La-Ville Rd, Hamilton, HM11 Bermuda
m Alpha Atlas Fd Ltd(Jul31) $ 114.64
m Alpha Europe Fd (Jul31) Ecu 224.53
m Alpha Global Fd (Jun30) $ 1161.63
m Alpha Pacific Fd (Jul31) $ 436.28
m Alpha Short Fd (Jul31) $ 48.89
m The Russia Fd (Jun30) $ 310.62
012 AMERICAN PHOENIX INVT PORTFOLIO
d Europe Multinational Ptfl $ 26.79
d Global Multinational Ptfl $ 25.73
d U.S. Growth Cos Ptfl $ 17.83
d U.S. Real Estate Sec Ptfl $ 15.64
014 ARNHOLD & S. BLEICHROEDER
w The Global Beverage Fd $ 132.52E
015 ASIA PACIFIC PERFORMANCE, SICAV
f APP $ 12.26
016 ATLAS CAPITAL MANAGEMENT LTD
w The Credit Spectrum Fd $ 1014.39
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w Challenger Fd $ 1158.99+
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w The Second Atlas Arbitrage $ 1078.19+
017 BAII Tel: 44-171-734 3708
f International Fd Latest NAV $ 661.42
w Convertible Fd (FFr) FF 3294.02
w Convertible Fd (US$) $ 780.92
018 BANK BRUSSELS LAMBERT (32-2) 481 3549
d BBL Invest America Cap $ 782.45
d BBL Invest Belgium Cap BF 26503.00
d BBL Invest Japan Cap Y 33594.00
019 BANQUE BELGE ASSET MGMT FUND
w Int'l Equity Fund $ 12.19
w Int'l Bond Fund $ 10.80
w Dollar Zone Bd Fd $ 12.93
w Asia Pacific Region Fd $ 11.40
w India Fund $ 7.04
w Sterling Equity Fd £ 1.503
w Sterling Bd Fd £ 1.335
201 BANQUE EDOUARD CONSTANT
d BEC Div Fd Intlbond SF 92.36
d BEC Div Fd Intlsec SF 223.73
d BEC Swissfund SF 290.56
BANQUE FRANCAISE DE L'ORIENT
m BFO Sicav-Global Strategies $ 1046.38
020 BANQUE INDOSUEZ
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w Pleiade North Am Equities $ 172.71
w Pleiade Europe Equities Ecu 229.38
w Pleiade Asia Pacific Eq $ 117.56
w Pleiade Environment Eq $ 109.94
w Pleiade Dollar Bonds $ 116.01
w Pleiade ECU Bonds Ecu 139.43
w Pleiade FF Bonds FF 131.90
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024 BEACON GLOBAL ADVISORS LTD
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027 BOWEN CAPITAL MGT
w Stewart Asia Fund $ 11.2291
w Zipangu Fund $ 8.3352
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032 CAPITAL INTERNATIONAL
w Capital Int'l Fund $ 218.81
w Capital Italia SA $ 59.63
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034 CDC INTERNATIONAL
w CEP Court Terme FF 203136.82
035 CHEMICAL IRELAND FD ADM LTD
w AHL Diversified Plc $ 15.83
305 CHILTON
b Chilton Int'l (BVI) Ltd Cl A $ 18912.05E
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b Chilton Natural Res. (BVI) $ 11514.00
036 CITIBANK (LUXEMBOURG) S.A.
d Citinvest Global Bond $ 122.19
d Citinvest FGP USD $ 1466.19
d Citinvest FGP ECU Ecu 1607.63
d Citinvest FGP ESP Ptas 118006.00
d Citinvest Selector $ 1806.17
038 CITIBANK GLOBAL ASSET MGT (ASIA) Ltd
d CIF (Cayman) Asia Eq $ 8.70
d CIF (Cayman) H.K. Eq $ 15.77
039 CITITRUST
m Citiperformance Ptfl S.A. $ 22.085
040 COMGEST (33-1) 44 70 75 10
m C.F.E. Cravy Fund $ 16.3508
f C.F.E. Lotus Fund $ 17.7134
w Comgest Asia $ 1494.70
w Comgest Europe SF 2499.54
w Panda Sicav $ 995.87
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w Conzett Focus Fund Ltd SF 4375.77
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m The Volatility Fd US$ $ 7.71
046 CURSITOR FUND
w Cursitor East Asian Eq $ 86.31
w Cursitor Glbl Bd Opptys $ 124.47
w Cursitor Glbl Gwth Sub-Fd $ 118.31
047 DARIER HENTSCH GROUP
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w Discover Asia $ 8.95
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051 DOSSIER DE GESTION COLLECTIVE
w Global $ 404.71
w America $ 136.03
w Europe SF 146.44
052 DRESDNER BANK INVESTMENT GROUP
DREDSNER KLEINWORT BENSON INTL MANAGEMENT SERVICES LTD
d Conquistador Fund $ 11.13
053 DUBIN & SWIECA
m Highbridge Capital Corp. $ 20326.34
m Overlook Performance $ 3103.19
054 EBC FUND MANAGERS (Jersey) LTD
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d Capital SF 38.5630
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d Long Term $ 34.6000
d Long Term - DMK DM 118.3833
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056 ERMITAGE LUX (352-4073 28)
057 EUROPA FUNDS LIMITED
d American Equity Fund $ 304.61
d American Option Fund $ 193.93
w Asian Equity Fd $ 142.14
w European Equity Fd $ 227.96
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d Indian Invest Co Sicav $ 7.70
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d Latin American Invest Co $ 14.47
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m FFM Int Bd Progr-CHF Cl SF 76.25
079 GORDON HOUSE ASSET MNGT
m Optimal Fund $ 6.53
080 GOTTEX FUND MANAGEMENT
w G. Swiss Fund Ecu 1089.37
081 GRANITE CAPITAL INTL GROUP
w Granite Capital Equity Fd $ 1902.68
082 GROUPE INDOSUEZ FUNDS 14/08/97
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083 GRYPHON FUND MANAGEMENT LTD
m Pacific Performance Ltd $ 100.45
m Gryphon Bond Fund Ltd $ 96.47
— 085 GUINNESS FLIGHT
204 HAMBRO-SPINNER RENAISSANCE FD
w Common Shares $ 25.752
086 HASENBICHLER ASSET MAKGT Ges.mbH
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w Hasenbichler Div $ 212.00
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195 HIGH YIELD WORLD FUND
m U.S. Dollar Portfolio $ 1115.71
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088 HUTZLER BROKERAGE
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f Privatinvestor $ 3.04
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d Class A (Aggr Growth Ital) Lit 100749.00
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w Kipling Fd Ltd (Aug 8Est) $ 1536.00
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095 JULIUS BAER GROUP
JYSKE INVEST C/o JYSKE BANK DENMARK
Tel (45) 33 78 78 01 Fax (45) 33 78 78 11
097 KEY ASSET MANAGEMENT INC
098 KI PACIFIC ASSET MANAGEMENT INC
m KI Asia Pacific Fd Ltd $ 15.30z
099 LEHMAN BROTHERS 15/08/97
100 LIBERAL B.A.S. FUNDS
101 LIPPO INVESTMENTS
102 LLOYD GEORGE MNGMT (852) 2845 4433
103 LLOYDS BANK INTL (BAHAMAS) Ltd
w Lloyds Americas Portfolio $ 13.63
104 LOMBARD, ODIER & CIE - GROUP
104 LOMBARD ODIER OPPORTUNITY
OBLIFLEX LTD (CI)
104 LOMBARD ODIER INVEST
186 M.D. SASS RE/ENTERPRISE INTL LTD
m Class AA (30/06) $ 1055.35
105 MAGNUM FUNDS
107 MALABAR CAP MGMT (Bermuda) LTD
m Malabar Intl Fund $ 31.74
108 MANULIFE GLOBAL FUND
109 MATTHEWS INTERNATIONAL MGT
EMERGING ASIAN STRATEGIES FUND
m Class A $ 94.48
196 MAVERICK (CAYMAN) (345) 949-8458
m Maverick Fund LDC $ 295.02
111 MEESPIERSON
112 MERRILL LYNCH BANK (SUISSE) S.A.
SWISS FUNDS
LUXEMBOURG PORTFOLIO
212 MERRILL LYNCH DEVELOP LTD MATURITY
113 MERRILL LYNCH EMERGING MARKETS
114 MERRILL LYNCH EQUITY / CONVERTIBLE SERIES NAV as of 14/08/97
ASIAN TIGER OPPORTUNITIES PTFL
BASIC VALUE PORTFOLIO
CAPITAL PORTFOLIO
CONVERTIBLE SECURITIES PTFL
GLOBAL ALLOCATION PTFL (US$)
GLOBAL EQUITY PORTFOLIO
GLOBAL SMALL CAP PORTFOLIO
GLOBAL VALUE PORTFOLIO
EURO EQUITY PORTFOLIO
LATIN AMERICA PORTFOLIO
PACIFIC EQUITY PORTFOLIO
TECHNOLOGY PORTFOLIO
VISIONARY PORTFOLIO
WORLD NATURAL RESOURCES PTFL
DRAGON PORTFOLIO
115 MERRILL LYNCH GLOBAL CURRENCY BOND SERIES NAV as of 14/08/97
ADJUSTABLE RATE SECURITIES PTFL
ASIA TIGER BOND PORTFOLIO
AUSTRALIAN DOLLAR PORTFOLIO
CANADIAN DOLLAR PORTFOLIO
CORPORATE HIGH INCOME PTFL
DEUTSCHE MARK PORTFOLIO
EUROPEAN BOND PORTFOLIO (DM)
EUROPEAN BOND PORTFOLIO (US$)
POUND STERLING PORTFOLIO
CORPORATE INVESTMENT GRADE PTFL
YEN PORTFOLIO
MULTICURRENCY BOND PTFL
US FEDERAL SECURITIES PTFL
116 MERRILL LYNCH INC PORTFOLIO
117 MERRILL LYNCH MEXICAN INC PORT
118 MERRILL LYNCH NAV as of 14/08/97
d Senior Floating Rate Ptfl $ 10.02
DOLLAR ASSETS PORTFOLIO
MERRILL LYNCH SHORT-TERM WORLD INCOME PORTFOLIO
119 MILLENNIUM ASSET MANAGEMENT
120 MOMENTUM ASSET MANAGEMENT
122 MULTIMANAGER N.V.
123 NAM FOREX MANAGEMENT
w NAM Multi Hedge SF 10.16
124 NICHOLAS-APPLEGATE CAPITAL MGT
125 NOMURA INTL (HONG KONG) LTD
d Nomura Jakarta Fund $ 9.45
126 NORTH STAR FUND MANAGEMENT
— 127 OLD MUTUAL INTL (GUERNSEY) LTD
128 OLYMPIA CAPITAL INTL INC
Williams House, Hamilton HM11, Bermuda
187 OPPENHEIMER & CO, INC Fds (Prelim nav)
130 OPTIGESTION PARIS
GROUPE MARTIN MAUREL
121 OPTIMA FUND MANAGEMENT
73 Front St, Hamilton, Bermuda 809 295-8658
132 ORBIS INVEST Bermuda (441) 296 3000
133 ORBITEX GROUP OF FUNDS
134 PACTUAL
208 PARA INTERNATIONAL FUND LTD
m Class A Shares $ 146.887
136 PARIBAS
w Luxor $ 7.38+
PARVEST SUB-FUNDS
EQUITY PORTFOLIOS
BOND PORTFOLIOS
SHORT TERM PORTFOLIOS
GLOBAL PORTFOLIOS
135 PARIBAS MULTI-MANAGER GLBL FD PLC
m Paribas Alternative Inv Jun30 $ 114.53
137 PARK PLACE MANAGEMENT
138 PERMAL FAMILY OF FUNDS
139 PERPETUAL FUND MNGRS (JERSEY) LTD
PERPETUAL OFFSHORE INC ACC FUND LTD
140 PICTET & CIE - GROUP
141 PREMIER INVESTMENT FUNDS LTD
c/o P.O. Box 1100 GT, Grand Cayman
Fax: (809) 949-0993
m Premier US Equity Fund $ 1961.61
m Premier Intl Eq Fund $ 1721.75
m Premier Global Yield Plus Fd $ 1131.85
m Premier Global Bd Fd $ 1818.86
m Premier Total Return Fd $ 1127.53
142 PRIMEO FUNDS
m Primeo Global Fd $ 11.68
m Primeo Select Fund $ 12.55
213 PRIVATE CAPITAL INTERNATIONAL LTD
w PCI-Bay Real Estate Eq Fd $ 100.745
143 PUTNAM
d Emerging Hlth Sc. Trust $ 50.48
w Putnam Em. Info. Sc. Trust $ 103.04
d Putnam High Inc. GNMA Fd $ 7.89
d Putnam Int'l Fund $ 22.19
144 QUANTUM GROUP OF FUNDS
146 REGENT FUND MANAGEMENT LTD
147 REIG GLOBAL FUND
— 148 REPUBLIC FUNDS IFAX 82589
197 RICHCOURT
149 ROBECO GROUP
POB 973, 3000 AZ Rotterdam, (31)10 2241224
More Robeco see Amsterdam Stocks
150 ROTHSCHILD (GROUP EDMOND DE)
GROUP FUNDS
MANAGED FUNDS
ADMINISTERED FUNDS
152 SAFDIE GROUP/KEY ADVISORS LTD
153 SANTANDER NEW WORLD INV.
155 SKANDINAVISKA ENSKILDA BANKEN
S-E-BANKEN FUND
SKANDIFONDS
185 SOCIETE FINANCIERE PRIVEE, GENEVA
156 SOCIETE GENERALE
ASSET MANAGEMENT
SOGELUX FUNDS
157 SODITIC ASSET MANAGEMENT INC.
158 SOFA FUND LIMITED
159 SOFAER CAPITAL INC
160 SR GLOBAL FUND LTD
161 STAINES FD MNGERS (GUERNSEY) LTD
w Cuz Concept Two Thousand $ 1003.11z
162 SWISS BANK CORP.
163 TAIL WIND INC Tel: 2531 475 7091
m The Tail Wind Fund Ltd $ 2292.72
164 TEMPLETON GLOBAL STRATEGY FUNDS
198 THE ENVIRONMENT INV T:44 1534 882 000
w Ordinary £ 2.48
w ZDPs £ 1.11
168 THE SAILOR'S FUND, SICAV
LUXEMBOURG, TEL 00352 462246 286
209 THE WANGER INV CO PLC
w Euro Smaller Cos DM 17.86
w US Smaller Cos $ 11.36
199 THE WIMBLEDON FUNDS T: 809 298 8777
167 THEMA INTERNATIONAL FUND PLC
Prices at 31/07/97
b Thema Hedged US Equities $ 120.55
168 THORNTON INVESTMENT MGMT LTD
THORNTON TAIWAN FUND
w Equity Income $ 19.51
w Equity Growth $ 24.57
— 149 TITAN CAPITAL MGT IFAX 82586
170 TRANS GLOBAL FUNDS GROUP
192 TWEEDY BROWNE VALUE FUNDS
177 UBS
— 171 UEBERSEEBANK Zurich IFAX 82587
173 UNION BANCAIRE ASSET MGT (UBAM) INTERNATIONAL, NASSAU
CAPITAL GUARANTEED IC
174 UNION BANCAIRE ASSET MGT (UBAM) INTERNATIONAL, HAMILTON
175 UNION BANCAIRE ASSET MGT (UBAM) INTERNATIONAL, LUXEMBOURG
w UBAM-Short-Term $ $ 1355.87
w UBAM-Short-Term ECU Ecu 1731.69
w UBAM Med-Term $ Bond $ 1090.89
176 UNICO FINANCIAL SERVICES S.A.
178 US GLOBAL INVESTORS INC GUERNSEY
d USGCF - US Precious Metals & Natural Resources Portfolio $ 187.402
182 WILLERFUNDS MANAGEMENT CO.
180 WORLDFOLIO CAP PRESERVATION PLUS
d USD 90% Cap Preservation $ 11.43
200 WP STEWART FUND PLC
181 WP STEWART GLOBAL GROWTH
w WP Stewart Global Growth $ 13.9374
179 WP STEWART HOLDINGS N.V.
w WPSH (ADAM SE) $ 883.74
191 WPS INVESTISSEMENTS S.A.
d Global Technology Fund $ 180.07

999 Other Funds

AS - Australian Dollars; AS - Austrian Schillings; BF - Belgian Francs; C$ - Canadian Dollars; DM - Deutsche Marks; Dkk - Danish Kroner; Do - US Dollars; ECU - European Currency Unit; FF - French Francs; FM - Finnish Mark; FL - Dutch Florin; IDR - Indonesian Rupiah; Lit - Italian lira; LF - Luxembourg Francs; p-pence; MYR - Malaysian Ringgit; Ptas - Pesetas; SGS - Singapore Dollars; SF - Swiss Francs; Sek - Swedish Kronor; THB - Thai Baht; Y - Yen;

a - asked + - Offer Prices; N.A. - Not Available; N.C. - Not Communicated; o- New; S - suspended; S/S - stock Split; * - Ex-Dividend; ** - Ex-Rts; - @ Offer Price incl. 3% prelim. charge; * - Paris exchange; ++ -Amsterdam exchange; a - misquoted earlier; x-not registered with regulatory authority. P: Middle of bid and offered price. E: estimated price; y: price calculated 2 days prior to publication; z: bid price.

The marginal symbols indicate frequency of quotations supplied: (d) - daily; (w) - weekly; (b) - bi-monthly; (f) - fortnightly; (r) - regularly; (t) - twice weekly; (m) - monthly.

The Communicator.

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WORLD ROUNDUP

Love Wins First Major and Berth in Ryder Cup

Bjorkman Wins

TENNIS Jonas Bjorkman beat Carlos Moya, 6-3, 7-6 (7-3), in the rain-interrupted final of the RCA Championship in Indianapolis on Sunday.

"He is top 10. To be part of that top 10, you definitely are a good player," Bjorkman said of Moya, who began tournament ranked No. 9 in the world. "It's a very good effort for myself."

The victory, which was worth $150,000, will put Bjorkman in the top 20 of the ATP Tour standings for the first time.

The start of the final was delayed about 90 minutes by rain. Then for another 30 minutes in the second set by a shower that began just after Moya, a Spaniard, went up 2-1.

"I was starting to play better and better," Moya said. "Just when I broke him, it started to rain. I think it maybe was the key of the match."

Bjorkman became the first player to reach both the singles and doubles at the event since it was converted from clay to hardcourts in 1988. He and a fellow Swede, Nicklas Kulti, lost to Mikael Tillstrom of Sweden and Australia's Michael Tebbutt, 6-3, 6-2, in the final. *(AP)*

AP

Spain's Carlos Moya returning to Jonas Bjorkman of Sweden.

Cantona Seeks Cash

SOCCER Eric Cantona still wants money from Manchester United even though he left the club last season and quit soccer for good.

According to press reports, the Frenchman, who is working as in films and commercials, is demanding as much as $1.2 million which he says is owed to him through merchandising.

"It's true Eric wants some money from us. I would rather not say how much it is," Martin Edwards, the club's chief executive, told a British tabloid. "When he left us he was concerned about us continuing to market his name." *(AP)*

• Peter Beardsley, 36, a former England striker, finally left Newcastle for Bolton, another English Premier League club, Monday in a £450,000 ($725,000) deal. The move comes less than a week after the Newcastle manager, Kenny Dalglish, who also managed Beardsley at Liverpool, signed two other members of his Liverpool championship teams, John Barnes and Ian Rush. *(Reuters)*

Dallas Cuts Bad Boy

FOOTBALL Roger Harper, a Dallas safety, was released for an undisclosed violation of owner Jerry Jones' new behavior policy, according to reports.

The Dallas Morning News reported Monday that Harper was included in players cut by the team at the weekend because of violations of rules Jones introduced in an attempt to clean up the team's image. *(AP)*

Tour Veteran Shines Under A Rainbow

By Thomas Bonk
Los Angeles Times

MAMARONECK, New York — Davis Love 3d waved a soggy visor and raised it to the sky Sunday afternoon. A few moments before, a rainbow had appeared.

Now, as far as symbolism goes, you just can't beat a rainbow elbowing its way out of the clouds just before you drill an eight-foot birdie putt on the last hole to win the 79th PGA Championship.

But it was a rainbow ending for Love, a 33-year-old veteran who spent four days at Winged Foot and finally stepped into the ring of major championship winners.

"I didn't want to look," Love said. "But there's something to it."

It had been a long and dry road for Love, covering 39 majors and 11 years, but ended under a rainbow on one of the most famous golf courses in the world.

Love began the day tied with Justin Leonard, the British Open champion, but opened up a five-shot lead at the turn, then outlasted a sudden rainstorm to hold the lead and score a five-shot victory with a closing round of 66.

His 66-71-66-66 total of 11-under 269 was a competitive record for the punishing 6,987-yard Winged Foot layout that was beaten into submission after rain the last two days softened its defenses.

Leonard bogeyed two of the first four holes and was never closer than three shots the rest of the way.

"I would love to be in a different position, but at the same time I was glad that I was with him and there to watch," said Leonard, who closed with a 71 and finished at 6-under 274.

Only two others — Jeff Maggert and Lee Janzen — bettered par at Winged Foot, which despite its ominous reputation allowed course-record 65s to Leonard on Saturday and Maggert on Sunday.

Eric Draper/The Associated Press

Davis Love 3d celebrating his PGA Championship victory Sunday as a rainbow arcs across the 18th hole.

Maggert's 65, which featured a 4-under 31 on the back, was good enough for third place at four-under 276 and also secured him a place on the Ryder Cup team.

Janzen, the 36-hole leader, finished with a 69 that was good for fourth place at one-under 279. Ryder Cup captain Tom Kite was fifth at even-par 280.

The two most important holes for Love were the par-5 12th and the par-3 13th. Love had a five-shot lead through 11, but there was a two-shot swing at No. 12.

Love pulled his drive into the deep rough and chipped out, but his sand wedge carried only about 40 yards. He still had 160 yards to the hole. Love hit a seven-iron but came up short of the green.

From 40 feet, he chipped on to about seven feet, but missed his par putt.

Meanwhile, Leonard birdied and the lead was three. At No. 13, Leonard hit a three-iron just behind the hole, but Love's 4-iron missed the green long in the matted rough. From there, Love nearly chipped in, the ball hitting the flagstick.

Instead of another two-shot swing or even worse, Love managed to keep his three-shot lead.

"That really saved the championship," Love said.

The rain was falling hard when Leonard lost another shot to Love with a bogey at No. 16. Leonard drove into the rough and couldn't recover.

All that was left was for Love to keep his composure long enough to play the last three holes. It wasn't at all a simple assignment, he said.

"I was choking up a lot of times," Love said. "Every time I thought about winning, I was very, very confident about my golf game, but my emotions were getting to me on the back nine."

Love's victory was worth $470,000, clinched his position on the Ryder Cup team and moved him past $1 million in earnings this year.

Wild Cards For Couples And Janzen

By Leonard Shapiro
International Herald Tribune

MAMARONACK, New York — Though at least 6 of the 10 players who made the U.S. Ryder Cup team on points had urged him this week to make himself a wild-card choice, Tom Kite, the American captain, instead used his two picks Monday to add Fred Couples and Lee Janzen for the match against a 12-man European team Sept. 26-28 at Valderrama in Spain.

"The ironic thing is I had a couple of people talk to me and say if I was not the captain, I'd probably be one of the picks based on my play," said Kite, a seven-time Ryder Cup player. "I guess in all sincerity, I didn't get enough of the captain's attention."

The selection of Janzen and Couples, both with previous Cup experience, was not unexpected, even though they finished 15th and 17th on the final points list, respectively. Couples, the 1992 Masters champion, has been a stalwart on the last four Ryder Cups squads and teamed with Davis Love 3d, the PGA champion, to win four straight world-match play titles between 1991-95.

"There's so many guys Tom could have picked," Couples said. "I just feel honored to have him think hard about me. I've had some ups and downs, but it's always been a dramatic week and a lot of fun."

Janzen, the 1993 U.S. Open champion, played on the 1993 Ryder team but was left off in 1995 when then captain Lanny Wadkins chose Couples and Curtis Strange. The Strange pick became a source of major controversy, especially after he finished 0-3, including the loss of his singles match against Nick Faldo at the 18th on the final day after dropping the last two holes. The U.S. team lost the Cup, 14½ points to 13½.

"It might be too early to say if this is vindication," Janzen said. "But in '95 I probably had more of a case to be on the team than I did for this team. But for some reason, I expected a better chance to be picked this time, strange as it may sound."

Kite said Janzen clearly helped his cause with a strong showing this week at the PGA. Paired with Kite on the final day, he shot 69 and made a birdie at the 18th to take sole possession of fourth place with a one-under total of 279. Couples, after getting to two-under over the first 36 holes, faded to 29th on the weekend with rounds of 73 and 75.

His most painful decisions likely involved 1993 captain Tom Watson, who hurt his chances badly by missing the cut in the PGA and at the International two weeks ago, and Cory Pavin, a ferocious player in the last three Cups who has slumped badly since last season. Pavin withdrew from the PGA because of the death of his father.

Hale Irwin, dominating the Senior Tour with six victories, also was considered, but Kite described the difference between senior and regular tour golf as "apples and oranges" and decided against it.

"I'm disappointed that I did not play well enough to make the team on my own," Kite said.

Kite's team will include four first-time Ryder Cup players — Tiger Woods, Justin Leonard, Jim Furyk and Scott Hoch — and five men who have played on only one Cup team — Tom Lehman, Phil Mickelson, Jeff Maggert, Brad Faxon and Janzen. Mark O'Meara has played on three teams and Love twice, clinching the 1993 Cup with his victory over Costantino Rocca at the Belfry in England.

Following a Dream and Enjoying It Along the Way

By Dave Anderson
New York Times Service

MAMARONECK, New York — With a 12-foot birdie putt on Winged Foot's eighth green, Davis Love 3d had jumped five strokes ahead of Justin Leonard, the eventual difference in their duel for the Professional Golfers Association Championship. And now he was walking between the green gallery ropes to the ninth tee.

"Enjoy the journey, Davis," a voice yelled as he passed.

His journey to this PGA Championship began when he was 10 years old and his father took him to the 1974 PGA Championship.

His father would shoot 82-74 and miss the cut, but young Davis was dazzled by the tournament scene: the galleries, the practice range, the pros in the locker room.

"All the stars were there and my father knew them and they knew him," he would write in his recent autobiography, "Every Shot I Take" (Simon & Schuster). "I thought to myself, 'Man, this is the life.' After that, I started playing more."

Back in 1974 he was shooting in the 90s, but at 11 he was shooting in the 80s and at 12 he was breaking 80. At 13 he told his father his ambition was to play on the PGA Tour eventually and his father asked, "How hard are you willing to practice?" Hard enough, apparently.

Mike Segar/Reuters

Davis Love 3d, right, hugging his caddie and brother Mark.

When he joined the PGA Tour, his father told him, "Do what Tom Kite does," meaning work hard with class. And when Love walked into the interview tent Sunday night, Kite, now the Ryder Cup captain who will have Love on his team for the Sept. 26-28 matches against the European pros in Spain, turned to a PGA official who was holding the big silver Wanamaker Trophy.

"Put that up there next to him," Kite said, motioning toward the table on the platform where Love would be sitting. "Let him snuggle up to it."

Kite knew what the trophy meant to the son of a PGA member. Love's father had always told him. "Follow your dreams and enjoy your trip." He tried, but he was so good so young he soon had golf's monkey on his back as "the best player who hasn't won a major."

The monkey got heavier when Love shot 66 but finished one stroke behind Ben Crenshaw in the 1995 Masters and when he finished one stroke out of an 18-hole playoff with Steve Jones for the 1996 U.S. Open because he three-putted from 20 feet on the final green.

"My body was not free enough to make the stroke I needed to make," he wrote of missing that downhill 3-footer at Oakland Hills.

"I think I'll know that next time. I really do."

The next time was after Saturday's rain delay when he one-putted the last four greens to stay tied with Justin Leonard at 7 under after 54 holes and again Sunday at the 13th hole after he pulled a 4-iron into the thick rough alongside the green.

"That pitch shot, I was trying to hole it and I almost did," he said. "If I had ran that 10 feet by and he had holed, it could've been all over."

Instead, Love tapped in for his par and Leonard missed his 15-footer for a birdie. Minutes later, Love was on the 15th hole when the rain suddenly resembled a car wash, but he remained "patiently aggressive," another of his father's tenets, while his brother, Mark, who has been his caddie for the last few years, talked him through the final holes.

At the 18th, Davis Love 3d's birdie putt found the middle of the cup, then he hugged his brother, his wife and his mother. But if his father were alive, what might his father have told him?

"That this was my time," the new PGA champion said, "that I was overdue and that there's greater things to come."

SCOREBOARD

BASEBALL

MAJOR LEAGUE STANDINGS

AMERICAN LEAGUE

EAST DIVISION

	W	L	Pct.	GB
Baltimore	76	43	.639	—
New York	73	49	.598	4½
Boston	62	63	.496	17
Toronto	59	62	.488	18
Detroit	57	66	.463	21

CENTRAL DIVISION

Cleveland	63	57	.525	—
Milwaukee	59	62	.488	4½
Chicago	59	63	.484	5
Kansas City	51	69	.425	12
Minnesota	51	72	.415	13½

WEST DIVISION

Seattle	69	54	.561	—
Anaheim	68	55	.553	1
Texas	59	64	.480	10
Oakland	50	75	.400	20

NATIONAL LEAGUE

EAST DIVISION

	W	L	Pct.	GB
Atlanta	76	49	.608	—
Florida	71	51	.582	3½
New York	67	56	.545	8
Montreal	61	61	.500	13½
Philadelphia	44	76	.367	29½

CENTRAL DIVISION

Houston	66	58	.532	—
Pittsburgh	60	63	.488	5½
St. Louis	56	67	.455	9½
Cincinnati	54	68	.443	11
Chicago	50	75	.400	16½

WEST DIVISION

San Francisco	70	55	.560	—
Los Angeles	67	57	.540	2½
Colorado	60	64	.484	9½
San Diego	60	64	.484	9½

SUNDAY'S LINESCORES

AMERICAN LEAGUE

Kansas City	001	000	201	—4	7	2
Detroit	302	101	00x	—8	8	0

Rosado, M.Perez (3), Whisenant (6), Walker (8) and M.Sweeney; Keagle, Brocail (8), Ta.Jones (9) and Wolbeck. W—Keagle, 1-2. L—Rosado, 8-9. HR—Kansas City, Damon (7).

Seattle	200	100	011	—5	10	0
Chicago	000	001	002	—3	9	1

Fassero, Timlin (8), Slocumb (9) and Da.Wilson; Navarro, McElroy (9) and Karkovice. W—Fassero, 12-7. L—Navarro, 9-11. HRs—Seattle, Griffey Jr 2 (40), Buhner (30). Chicago, L. Menton (5).

Second Game

Seattle	000	100	010	—2	8	0
Chicago	200	002	00x	—4	7	0

Olivares, Charlton (8) and Da.Wilson; Sirotka, N. Cruz (6), McElroy (8), J. Darwin (8), Karchner (8) and Fabregas. W—Sirotka, 1-0. L—Olivares, 6-8. Sv—Karchner (6). HR—Seattle, E. Martinez (21).

Toronto	000	703	000	—10	14	0
Cleveland	020	000	101	—6	8	2

Clemens, Crabtree (8), Escobar (9) and O'Brien; Jr.Wright, Jacome (4), Plunk (9) and S. Alomar, Borders (8). W—Clemens, 19-4. L—Jr.Wright 3-2. HR—Toronto, Cruz Jr (17).

Minnesota	000	200	003	—5	9	0
Boston	300	300	40x	—10	14	0

Tewksbury, Tra.Miller (5), Aguilera (7) and Steinbach; D. Miller (8); Sele, Brandenburg (8), Lacy (9) and Hatteberg. W—Sele, 12-9. L—Tewksbury, 4-9.

Texas	000	000	000	—0	3	0
New York	103	020	20x	—8	12	0

Witt, Bolles (7) and I. Rodriguez; Cone, Mendoza (2), Kn.Rogers (8) and Girardi. W—Mendoza, 5-5. L—Witt, 11-9. HR—New York, O'Neill (18).

Anaheim	000	120	010	5—4	10	0
Baltimore	100	002	010	1—5	12	2

Watson, P. Harris (8), Holtz (8), Hasegawa (9) and Kreuter; Erickson, Orosco (8), A. Benitez (10) and Webster. W—A. Benitez, 3-3. L—Hasegawa, 2-6. HRs—Baltimore, Ledesma (11), R. Palmeiro (25).

Oakland	000	101	000	—2	7	1
Milwaukee	201	002	00x	—5	9	0

Prieto, C. Reyes (6), Mohler (6), Johnstone (7), Taylor (8) and Haynes Woodard, Davis (6), Wickman (7), Da.Jones (9) and Levis. Matheny (7). W—Woodard, 3-1. L—Prieto, 6-7. Sv—Da.Jones (25). HR—Milwaukee, Js.Valentin (13).

NATIONAL LEAGUE

New York	030	001	000	—4	9	0
Colorado	010	040	10x	—6	9	1

Mlicki, Wendell (6), Rojas (8) and Hundley; Thomson, M. Munoz (7), S. Reed (7), De.Jean (8), Dipoto (9) and Manwaring. W—Thomson, 5-7. L—Mlicki, 5-10. Sv—Dipoto (8). HR—Colorado, Castilla (31).

Philadelphia	100	102	200	—6	11	0
Houston	000	131	33x	—11	12	0

Stephenson, Rottcamp (4), R. Harris (5), Gomes (6), Brewer (7), Spradlin (7) and Lieberthal; R.Garcia, Magnante (6), T. Martin (7), R.Springer (8) and Pena, Ausmus (7). W—T. Martin, 5-3. L—Gomes, 2-1. Sv—R. Springer (7).

Pittsburgh	000	101	000	—2	9	1
Florida	202	002	20x	—10	12	0

Cooke, P. Wagner (6), Ruebel (7), M. Wilkins (8) and Kendall, Osik (8); K.J.Brown, Powell (9) and C. Johnson. W—K. J.Brown, 11-8. L—Cooke, 8-12. HRs—Florida, Alou (16), C. Johnson (16).

Chicago	000	041	100	—6	12	0
San Diego	000	020	201	—5	8	1

M.Clark, Patterson (8), T. Adams (8) and Houston; Wenhart, Cumane (5), Bochtler (6), Bergman (7), T.Worrell (9) and C.Hernandez. W—M. Clark, 10-7. L—Wenhart, 0-1. Sv—T. Adams (11). HR—San Diego, C. Hernandez (2).

Montreal	012	020	001	—6	7	1
San Francisco	400	000	02x	—6	11	0

Paniagua, Telford (2), M. Valdes (5), Kline (6), D. Veres (8), Bullinger (8) and Widger; Alvarez, D. Henry (5), Tavarez (7), R.Hernandez (8), Beck (9) and Berryhill; B. Johnson (5). W—D. Henry, 4-4. L—Paniagua, 0-1. Sv—Beck (34). HRs—Montreal, V. Guerrero (15), R.White (19). San Francisco, D. Hamilton (4), Berryhill (3).

Atlanta	000	000	010	—1	6	1
St. Louis	000	100	02x	—3	7	1

Neagle, C. Fox (8) and Eddi.Perez, J. Lopez (8); An.Benes, Fossas (8), C. King (8), Eckersley (9) and Pagnozzi. W—C. King, 2-0. L—Neagle, 16-3. Sv—Eckersley (29).

Cincinnati	300	010	100	—5	10	1
Los Angeles	000	000	000	—0	7	1

Tomko, Belinda (8) and Fordyce; Nomo, Guthrie (8) and Piazza. W—Tomko, 8-4. L—Nomo, 11-10.

FOOTBALL

NFL PRESEASON

New England 31, Denver 21
Chicago 22, Arizona 10
Pittsburgh 28, Detroit 20.

GOLF

PGA CHAMPIONSHIP

Scores Sunday from the final round of the $2.6 million U.S. PGA Championship on the 6,987-yard (6,388-meter), par-70 West course at Winged Foot Golf Club:

Davis Love III	66-71-66-66—269
Justin Leonard	68-70-65-71—274
Jeff Maggert	69-69-73-65—276
Lee Janzen	69-67-74-69—279
Tom Kite	68-71-71-70—280
Phil Blackmar	70-68-74-69—281
Scott Hoch	71-72-68-70—281
Jim Furyk	69-72-72-68—281
Tom Byrum	69-73-70-70—282
Scott McCarron	74-71-67-71—283
Tom Lehman	69-72-72-70—283
Joey Sindelar	72-71-71-69—283
Bob Tway	68-75-72-69—284
Nick Price	72-70-72-70—284
Tommy Tolles	75-70-73-66—284
Mark O'Meara	69-73-75-67—284
David Duval	70-70-71-73—284
Kirk Triplett	73-70-71-70—284
Vijay Singh	73-66-76-69—284
Colin Montgomerie	74-71-67-72—284
Greg Norman	68-71-74-71—284
Tim Herron	72-73-68-71—284
Shigeki Maruyama	68-70-74-73—285
Kenny Perry	73-68-73-71—285
Mark Calcavecchia	71-74-73-67—285
Doug Martin	69-75-74-67—285
John Cook	71-71-74-69—285
Bernhard Langer	73-71-72-69—285
Hale Irwin	73-70-71-72—286
John Daly	66-73-77-70—286
Fred Couples	71-67-73-75—286
Tiger Woods	70-70-71-75—286
Phil Mickelson	69-69-73-75—286
Lee Westwood	74-68-71-73—286
Paul Goydos	70-72-71-73—286
Payne Stewart	70-70-72-74—286
Frank Nobilo	72-73-67-74—286
Don Pooley	72-74-70-70—286
Ronnie Black	76-69-71-70—286
Eduardo Romero	71-72-72-72—287
David Ogrin	74-72-71-70—287
Ignacio Garrido	70-71-75-71—287
Steve Jones	69-73-75-70—287
Thomas Bjorn	72-68-77-71—288
Sam Torrance	74-72-70-72—288
Paul Azinger	68-73-71-74—288
Steve Elkington	72-72-70-74—288
Jesper Parnevik	76-70-71-71—288
Loren Roberts	76-70-74-69—289
Robert Allenby	67-77-74-71—289
Brian Henninger	74-68-75-72—289
Chris Perry	68-71-73-77—289
Olin Browne	71-71-74-74—290
Taylor Smith	73-74-73-70—290
Billy Mayfair	71-71-74-74—290
Craig Stadler	75-68-75-72—290
Ernie Els	72-72-74-72—290
Steve Lowery	70-76-74-70—290
Lanny Wadkins	72-69-79-71—291
Larry Mize	71-73-73-74—291
Russ Cochran	72-73-72-74—291
Lee Rinker	70-71-75-76—292
Rafael Gaosen	72-70-74-76—292
Fred Funk	71-74-77-70—292
Stuart Appleby	75-70-69-78—292
Jay Haas	71-69-73-79—292
Peter Jacobsen	74-72-75-72—293
Paul Stankowski	68-71-77-77—293
Per-Ulrik Johansson	73-69-73-78—293
Carlos Franco	69-74-76-75—294
Michael Bradley	73-69-80-73—295
Larry Nelson	76-70-76-73—295
Yoshinori Kaneko	72-73-76-74—295
Costantino Rocca	69-69-79-78—295
Andrew Magee	71-70-80-75—296
Pete Jordan	76-70-75-76—297
Kevin Sutherland	73-73-73-78—297

JOHNNIE WALKER RYDER CUP

Final standings for the 1997 Ryder Cup to be played Sept. 26-28 at Valderrama in Sotogrande, Spain. The top 10 finishers qualify for the 12-man teams. U.S. captain Tom Kite and European captain Seve Ballesteros select two players to complete each team:

UNITED STATES

1, Tiger Woods 1,185,000 points
2, Justin Leonard 1,068,500
3, Tom Lehman 1,022,953
4, Davis Love III 957,166
5, Jim Furyk 947,500
6, Phil Mickelson 809,286
7, Jeff Maggert 806,625
8, Mark O'Meara 801,250
9, Scott Hoch 791,952
10, Brad Faxon 727,500
11, Tommy Tolles 689,285
12, Steve Jones 579,280
13, Mark Brooks 549,750
14, Paul Stankowski 503,334

CAPTAIN'S PICKS

15, Lee Janzen 498,500
17, Fred Couples 458,040.

EUROPE

1, Colin Montgomerie, Scot 864,445 points
2, Darren Clarke, N.Ireland 594,813
3, Bernhard Langer, Germany 519,147
4, Ian Woosnam, Wales 506,397
5, Lee Westwood, England 468,153
6, Ignacio Garrido, Spain 371,696
7, Per-Ulrik Johansson, Sweden 336,305
8, Thomas Bjorn, Denmark 331,679
9, Miguel Angel Martin, Spain 324,400
10, Costantino Rocca, Italy 317,007
11, Padraig Harrington, Ireland 289,692
12, Jose Maria Olazabal, Spain 267,606
13, Paul Broadhurst, England 256,467
14, Roger Chapman, England 242,372
15, Joakim Haeggman, Sweden 242,350

TENNIS

RCA CHAMPIONSHIP

FINAL

Jonas Bjorkman (9), Sweden, def. Carlos Moya (5), Spain, 6-3, 7-6 (7-3)

SEMIFINALS

Jonas Bjorkman def. Mark Woodforde, Australia, 6-0, 6-2; Carlos Moya def. Wayne Ferreira (10), South Africa, 6-4, 6-2.

QUARTERFINALS

Jonas Bjorkman, def. Tommy Ho, U.S., 5-7, 6-4, 7-5; Mark Woodforde, def. Andre Agassi (14), United States, 6-3, 5-7, 6-3; Carlos Moya, def. Jiri Novak, Czech Republic, 6-3, 7-5; Wayne Ferreira def. Magnus Larsson, 3-6, 6-3, 7-6 (12-10).

DOUBLES

FINAL

Michael Tebbutt, Australia, and Mikael Tillstrom (9), Sweden, def. Jonas Bjorkman and Nicklas Kulti (4), Sweden, 6-3, 6-2

SEMIFINALS

Jonas Bjorkman and Nicklaus Kulti, def. Grant Connell, Canada, and Patrick Galbraith (7), U.S., 6-4, 6-2; Michael Tebbutt, Australia, and Mikael Tillstrom, def. Todd Woodbridge and Mark Woodforde (1), Australia, 7-6, 6-4.

QUARTERFINALS

Jonas Bjorkman and Nicklaus Kulti, def. Justin Gimelstob, U.S., and Peter Nyborg, Sweden, 7-6 (7-4), 7-5; Michael Tebbutt, Australia, and Mikael Tillstrom, def. Neil Broad, Britain, and Piet Norval, South Africa, 2-6, 7-5, 6-3.

Todd Woodbridge and Mark Woodforde, def. Don Johnson and Francisco Montana, United States, 4-6, 6-3, 7-5; Grant Connell, Canada, and Patrick Galbraith, def. Dave Randall and Jack Waite, U.S., 6-3, 1-6, 6-1.

PILOT PEN INTERNATIONAL

FINAL

Yevgeny Kafelnikov (1), Russia, def. Patrick Rafter (8), Australia, 7-6 (7-4), 6-4.

SEMIFINALS

Yevgeny Kafelnikov, def. Petr Korda (6), Czech Republic, 6-4, 7-6 (7-4); Patrick Rafter, def. Greg Rusedski (11), Britain, 7-5, 4-6, 6-3.

QUARTERFINALS

Yevgeny Kafelnikov, def. Tim Henman (7), Britain, 5-7, 6-3, 6-4; Petr Korda def. David Wheaton, U.S., 4-6, 7-6 (9-7), 6-4; Greg Rusedski, def. Richard Krajicek (4), Netherlands, 7-6 (7-5), 3-6, 6-3; Patrick Rafter, def. Sergi Bruguera (2), Spain, 7-5, 2-6, 6-2.

DOUBLES

FINAL

Mahesh Bhupathi and Leander Paes (5), India, def. Sebastien Lareau, Canada, and Alex O'Brien, Amarillo, Texas (3), 6-4, 6-7 (2-7), 6-2.

SEMIFINALS

Mahesh Bhupathi and Leander Paes, def. Jacco Eltingh and Paul Haarhuis (1), Netherlands, 4-6, 6-3, 6-3; Sebastien Lareau, and Alex O'Brien, Amarillo, def. Marc-Kevin Goellner, Germany, and Andrei Olhovskiy, Russia (8), 6-4, 6-4.

QUARTERFINALS

Jacco Eltingh and Paul Haarhuis, def. Byron Black, Zimbabwe, and Brett Steven, New Zealand, 2-6, 6-4, 6-4; Marc-Kevin Goellner, and Andrei Olhovskiy, def. Yevgeny Kafelnikov, Russia, and Daniel Vacek, Czech Republic, 7-5, 7-5

WOMEN

DE MAURIER OPEN

FINAL

Monica Seles (1), U.S., def. Anke Huber (8), Germany, 6-2, 6-4.

SEMIFINALS

Monica Seles, def. Conchita Martinez (7), Spain, 6-2, 7-6 (8-6); Anke Huber, def. Mary Joe Fernandez (10), U.S., 3-6, 6-2, ret.

QUARTERFINALS

Monica Seles def. Rita Grande, Italy, 6-0, 6-0; Anke Huber, def. Amanda Coetzer (3), South Africa, 2-6, 6-1, 6-4; Conchita Martinez, def. Lindsay Davenport (4), U.S., 6-4, 4-6, 6-2; Mary Joe Fernandez, def. Magdalena Maleeva, Bulgaria, 6-2, 6-7 (3-7), 6-4.

DOUBLES

FINAL

Yayuk Basuki, Indonesia, and Caroline Vis, Netherlands (6), def. Nicole Arendt, United States, and Manon Bollegraf, Netherlands (2), 3-6, 7-5, 6-4.

SEMIFINALS

Yayuk Basuki, Indonesia, and Caroline Vis (6), Netherlands, def. Ines Gorrochategui, Argentina, and Irina Spirlea, 4-6, 7-5, 7-6 (7-4); Nicole Arendt, U.S., and Manon Bollegraf (2), Netherlands, def. Larisa Neiland, Latvia, and Helena Sukova (3), Czech Rep., 6-1, 7-6 (7-5).

QUARTERFINALS

Nicole Arendt and Manon Bollegraf def. Naoko Kijimuta, Japan, and Nana Miyagi (7), Japan, 4-6, 6-3, 6-2; Larisa Neiland, and Helena Sukova, def. Rita Grande, Italy, and Els Callens, Belgium, 6-3, 6-2.

Yayuk Basuki, and Caroline Vis def. Mary Joe Fernandez, U.S., and Arantxa Sanchez Vicario (1), Spain, 1-4, 0-1, retired; Ines Gorrochategui, and Irina Spirlea, def. Lisa Raymond, U.S., and Rennae Stubbs, Australia (8), 3-6, 6-3, 6-3.

SOCCER

AFRICAN WORLD CUP QUALIFYING

GROUP ONE

Guinea 1 Nigeria 0

FINAL STANDINGS: Nigeria 12; Guinea 12; Kenya 10; Burkina Faso 8; Nigeria qualify for finals.

GROUP TWO

Egypt 5, Liberia 0
Tunisia 4, Namibia 0

FINAL STANDINGS: Tunisia 16; Egypt 10; Liberia 4; Namibia 4.

Tunisia qualify for finals

GROUP FIVE

Ghana 0, Sierra Leone 2

FINAL STANDINGS: Morocco 16; Sierra Leone 7; Ghana 6; Gabon 1.

Morocco qualify for finals.

CRICKET

KENT VS. AUSTRALIA

THREE DAY MATCH

MONDAY, IN CANTERBURY, ENGLAND

Scores: Kent: 201 and 343
Australia: 315 and 231-4
Australia def. Kent by 6 wickets.

TRANSITIONS

BASEBALL

AMERICAN LEAGUE

BALTIMORE —Recalled RHP Esteban Yan from Rochester, IL.

CHICAGO —Fired Bill Buckner, hitting coach. Named Ron Jackson hitting coach. Named Bryan Little first base coach. Put RHP Bill Simas on 15-day disabled list. Bought contract of RHP Jeff Darwin from Nashville, AA.

DETROIT —Sent OF Curtis Pride outright to Toledo, IL.

MINNESOTA —Optioned RHP Shane Bowers to Salt Lake, PCL. Activated RHP Bob Tewksbury from 15-day disabled list.

NEW YORK —Acquired INF Rey Sanchez from Chicago Cubs for RHP Frisco Parotte. Put 2B Pat Kelly on 15-day disabled list.

SEATTLE —Recalled IF Andy Sheets from Tacoma, PCL. Optioned OF Raul Ibanez to Tacoma.

NATIONAL LEAGUE

LOS ANGELES —Activated OF Todd Hollandsworth from 15-day disabled list. Optioned OF Wayne Kirby to Albuquerque, PCL.

SAN FRANCISCO —Optioned RHP Pat Rapp to Phoenix, PCL. Recalled OF Jacob Cruz from Phoenix.

BASKETBALL

NATIONAL BASKETBALL ASSOCIATION

DETROIT —Signed C-F Brian Williams to 7-year contract.

HOUSTON —Signed G Matt Maloney to 1-year contract.

LOS ANGELES CLIPPERS—Signed G James Robinson.

Orioles Soar, With 15th Victory in 20 Games

The Associated Press

In the Baltimore Orioles' seventh straight victory in extra-inning games, backup catcher Lenny Webster singled home the winning run in the bottom of the 10th to beat the Anaheim Angels, 5-4.

Aaron Ledesma, a rookie, hit his first major-league homer and Rafael Palmeiro hit his 25th this season as the Orioles gained their 15th victory in 20 games.

AL Roundup

"Everybody is contributing. That's been the trademark of this ball club," said Davey Johnson, the Orioles' manager. "We don't have anyone who's going to win the MVP, but collectively this club is as good as any in baseball."

Tim Salmon had three hits and Rickey Henderson drove in two runs for Anaheim, which lost leads of 3-1 and 4-3.

In the 10th, Palmeiro walked, leading off against Shigetoshi Hasegawa and moved up on a balk. After Brady Anderson was walked intentionally with one out, Webster hit a single just inside the third-base bag.

"If you catch 10 innings and it's hot as heck, you want to get the game-winning hit so we can go home," Webster said.

Baltimore's Cal Ripken, playing in his 2,500th major league game, went 1-for-3 with a sacrifice fly. His first-inning double gave him 922 extra-base hits.

Yankees 8, Rangers 0 In New York, David Cone removed himself in the second inning with a tight right shoulder, but Ramiro Mendoza came in and pitched six innings of two-hit relief.

Cone, who missed most of last season after surgery to repair an aneurysm in the same shoulder, threw 21 pitches in the first. He left after throwing several warm-up tosses before the second. A preliminary evaluation indicated muscle tightness and tendinitis in the shoulder.

Tim Raines went 3-for-5 with three runs batted in.

Brewers 5, Athletics 2 In Milwaukee, Jose Valentin hit a bases-empty homer and Julio Franco doubled in a run after a 3-hour, 49-minute rain delay at the start of the game.

White Sox 4, Mariners 2 In the second game of a doubleheader in Chicago, rookie Mike Sirotka won his season debut as the White Sox earned a split with Seattle and stopped a four-game losing streak.

In games reported in late editions Monday:

Mariners 5, White Sox 3 Ken Griffey homered twice in the opener to reach 40 home runs for the fourth time in his career. Griffey, who went 4-for-5 in the opener, has seven homers in 10 games and leads the major leagues.

Red Sox 10, Twins 5 In Boston, shortstop Nomar Garciaparra extended his hitting streak to 20, tying Fred Lynn's team rookie record as Boston sent Minneapolis to its ninth straight loss.

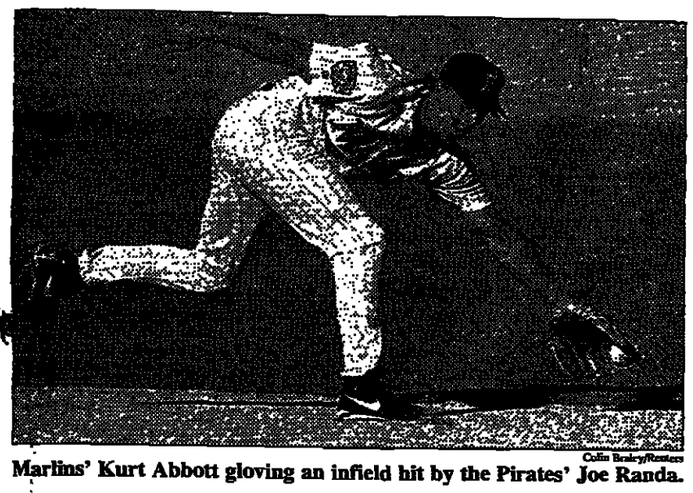
The Twins have lost 12 of the last 13 games, their longest losing streak since a nine-game slide in 1993.

Tigers 8, Royals 4 In Detroit, Travis Fryman drove in four runs and Damion Easley drove in three as Detroit stopped a four-game losing streak.

Blue Jays 10, Indians 5 Roger Clemens (19-4) struck out 11 as Toronto won in Cleveland. Clemens leads the majors in victories and is second in earned-run average.

Stuart Cahill/Agence France-Presse

New England's Chris Slade, left, sacking Jeff Lewis in the Denver end zone, causing a fumble. Slade recovered the ball, scoring a touchdown.



Colin Braley/Reuters

Marlins' Kurt Abbott gloving an infield hit by the Pirates' Joe Randa.

Marlins Keeping It Close, Winning as Braves Lose

The Associated Press

The way the Marlins are playing, Atlanta's sixth division title of the 1990s may not be a done deal.

Florida closed within 3½ games of the National League East leaders, beating the Pittsburgh Pirates, 10-2, on Sunday in Miami as Moises Alou drove in five runs. Later in the day, the Braves lost, 3-1, at St. Louis.

"We're going after the Braves," Alou said. "I think that's easier because we're only chasing one team. If we go after the wild card, we're in a race with four teams. I'd rather concentrate on the Braves. I think we can beat them."

NL Roundup

Alou hit a three-run homer, his 16th of the season and 100th of his career, to put Florida ahead, 6-0, in the third inning. He also had a two-run single in the first.

Kevin Brown allowed two runs and nine hits in eight innings to become the winning pitcher.

Cardinals 3, Braves 1 Denny Neagle (16-3) lost for the first time since July 6, allowing a two-run double to Danny Sheaffer that broke an eighth-inning tie at Busch Stadium.

Rockies 6, Mets 4 Dante Bichette's bases-clearing double highlighted a four-run sixth at Coors Field, and Colorado completed a three-game sweep.

John Thomson allowed four runs and seven hits in six innings, beating New York for the second time in 11 days.

Astros 11, Phillies 6 Billy Brewer walked in the tying and go-ahead runs in the seventh at the Astrodome as Houston stopped Philadelphia's six-game winning streak.

Derek Bell had four hits, including two doubles, in sending the Phillies to just their fourth loss in 15 games.

Cubs 6, Padres 5 Mark Clark allowed four runs and five hits in seven innings, improving to 2-0 since Chicago acquired him from the Mets on Aug. 8.

Mark Grace hit a two-run triple to cap the four-run fifth and Sammy Sosa added a run-scoring bloop triple for the visiting Cubs, who avoided a three-game sweep.

Tony Gwynn went 0-for-4, dropping his average to .379, its lowest since May 21.

Giants 8, Expos 6 Damon Berryhill hit a three-run homer at San Francisco as the Giants batted around in a six-run first against rookie Joe Paniagua.

Darryl Hamilton hit a two-run homer in the eighth off Jim Bullinger, his first home run in 108 at-bats since July 18.

Reds 5, Dodgers 0 At Dodger Stadium, rookie Brett Tomko (8-4) pitched seven scoreless innings for the second time in three starts for Cincinnati.

Hideo Nomo gave up three runs in the first inning and wound up allowing five runs and eight hits in seven innings.

Searching for Father: A Story of Baseball

By Murray Chass
New York Times Service

NEW YORK — Fernando Tatis has a message for his father:

"If he sees me, don't be afraid to come to me. I want to talk to him. I just want to see him."

Tatis, the Texas Rangers' third baseman, remembers nothing of his father. He wasn't even 4 when his father, also named Fernando, left the Dominican Republic and his family. Now Tatis desperately wants to find the man whom his mother has described as "a nice guy" and a good father.

"I just want to see him," Tatis said during the weekend at Yankee Stadium. "I hope one day we can be together because I want to see him."

Like the Rangers' 22-year-old rookie, the elder Tatis was a professional baseball player. He was in the Houston Astros' organization, last playing in 1978 in the Class AA Southern League for Columbus, Georgia, hitting .230 and 10 home runs. He later served as a coach in the Astros' minor league system and as a scout in 1980 and 1981. Then he disappeared.

His departure, however, was not a case of a husband and father abandoning his family.

Tatis's parents were divorced soon after he was born; his father remarried. Then one day his father arrived home in Santo Domingo to find his second wife in a compromising situation with a man who had been Tatis's chauffeur. The elder Tatis, a family acquaintance said, "lost it."

He traveled to San Pedro to be with his son and former wife, with whom he had remained friendly, and spent the night with them. "He's the only thing that means anything to me," he told his former wife about young Fernando.

The next morning he went to the airport and left the island. No one knows where he went. "My first year, when I came over to play rookie league ball, I started looking around for him," Tatis said, speaking of his first minor league season in 1994, after he was signed by Omar Minaya, now the Rangers' director of professional and international scouting.

Tatis added: "A lot of people told me he lived in Sarasota, Florida, so I just started looking there and getting in contact with people there. I went to the plaza and the mall. They have like a Latino area there where a lot of Latin guys live, so I was just looking around and asked those people who live there. But I couldn't get anything."

Old friends of his father's have told Tatis that his father stopped coaching in the minor leagues because he no longer wanted to be around baseball. "I don't know why," Tatis said.

A rumor that reached some baseball people who knew the elder Tatis suggested that about five or six years ago he might have been slain in Boston in a drug-trafficking scheme. However, the Massachusetts Registry of Vital Records has no record of anyone by that name having died in the state.

"Oh yeah, I heard that," Tatis said of the Boston story. "I was a little bit afraid." Told about the absence of his father's name from the registry's computer, he said, "I hope so."

Talking to some of his father's old baseball friends, Tatis has learned that some have seen his father more recently than the rumored Boston killing.

A couple of scouts, he said, told him they saw his father two years ago in Sarasota. "A lot of scouts tell me they know my father and he's a very nice person, a very good guy," Tatis said. "A lot of people told me that they know him, but nobody has seen him recently."

Unknown to Tatis at the time he discussed his search is that he shares the Texas clubhouse with someone who, 20 years ago, successfully concluded a search for his own father. Bucky Dent, then the Yankees' shortstop, found Russell Stanford in a town in Georgia.

"All those years I searched for him and I finally found him," said Dent, who is now a Texas coach. "It's not an easy thing unless you can get somebody to help you. My problem was I didn't know his last name. Fernando has it a little bit easier because he knows his last name."

Tatis suspects his father is aware that he is playing in the major leagues, either by seeing his name in newspapers or on television. "I just think he's afraid to come to me right now," he said.

"I don't care," Tatis said. "I just want to see him. My mother told me when I was a baby he gave me a little bat and he said, 'You're going to be a player one day like me.' I just don't want him to be afraid to come to me. I want him to just come over."

A Scare for the Steelers

Quarterback Stewart Hurt in Exhibition Game

The Associated Press

Just two days after Bill Cowher, the Pittsburgh Steelers' head coach, expressed delight with his team's relatively injury-free training camp, quarterback Kordell Stewart sprained his left knee Sunday in a 28-20 exhibition victory over Detroit.

Stewart, who has led Pittsburgh to a 4-0 exhibition record, insisted he will be ready for the Aug. 31 opener against Dallas. But he will not play in Friday's preseason finale at Carolina.

"I'm the starter now, so why take a chance?" Stewart said. "Why do something crazy?"

Several Steelers linemen accused Lions defensive lineman Shane Dronett of doing exactly that. As they watched a replay of Dronett undercutting Stewart's knees and rolling over his legs long after he threw a pass, several Steelers pointed at Dronett and yelled, "Cheap shot! Cheap shot!"

"It wasn't deliberate," Dronett said. "I had my guy beat and I slipped and I tried to avoid him. I didn't feel like it was a big hit or anything."

Lions quarterback Scott Mitchell never got on the field, sitting out with a groin injury.

NFL Roundup

Before he left, Stewart continued his excellent preseason by going 7-of-11 for 84 yards and a touchdown.

Bears 22, Cardinals 10 Chicago won but lost its best receiver Curtis Conway for at least six weeks with a broken collarbone.

Conway was hurt after he reached for a pass that was incomplete and hit the ground hard as Arizona's Ty Howard landed on top of him.

Bobby Engram, who will be the team's primary receiver, caught the go-ahead score, a 32-yarder from Rick Mirer, in the third quarter.

The game had been postponed Saturday night because of a violent thunderstorm. Cardinals players had voted unanimously Saturday night to accept the rescheduled game, even though they hadn't had a day off in a week, which, they said, was a violation of their collective bargaining agreement.

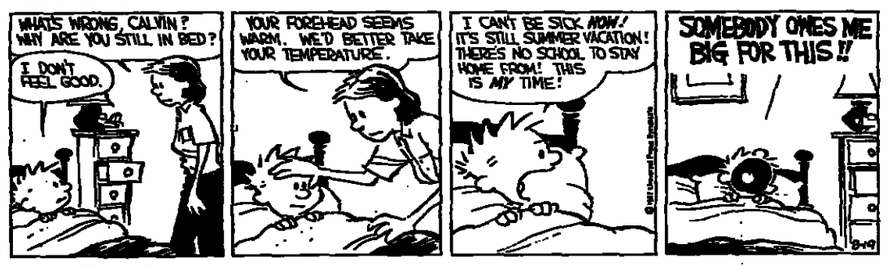
Patriots 31, Broncos 21 In Foxboro, Massachusetts, Jeff Lewis, Denver's backup quarterback was sacked four times in the first half, three times by Chris Slade. Drew Bledsoe, the New England quarterback, jump-started a cranky offense with two touchdown passes. John Elway, Denver's first-choice passer, did not play at all.

DENNIS THE MENACE

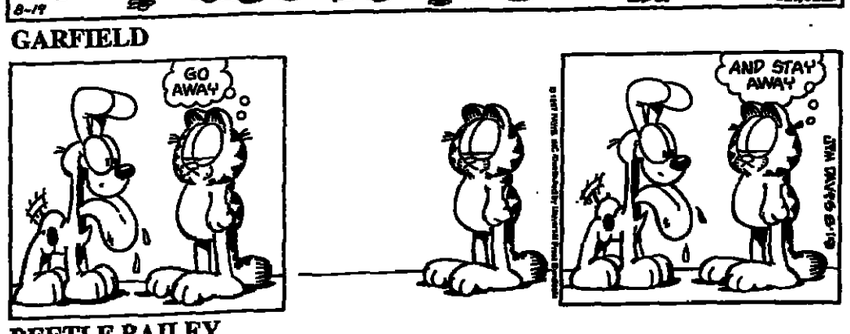
"COULD YOU PUT IN SOME FANGS?"

PEANUTS

CALVIN AND HOBBES



GARFIELD



WIZARD of ID

BEETLE BAILEY

NON SEQUITUR

DOONESBURY

BLONDIE

JUMBLE. THAT SCRAMBLED WORD GAME by Henri Arnold and Mike Argirion

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

BYMAL

POCUR

WHARKE

HEWEZE

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Print answer here: (Answers tomorrow)

Yesterday's Jumbles: JOLLY VIRUS SEAMAN CASKET
Answer: What the reporter found at the upscale high rise — MANY STORIES

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ART BUCHWALD

A Cut-Rate Holiday

MARTHA'S VINEYARD, Massachusetts — The sad news from Washington is that President Clinton has gone over his White House travel budget and must cut down on expenses while he vacations on Martha's Vineyard.

Buchwald

The rumor is that the president intends to stretch out the $40,000 left in this fiscal year, which ends Sept. 30. As a longtime resident of the Vineyard, I believe that I can be of help to the president, so here are some suggestions:

The Bagel Factory has a sale every day on yesterday's bagels which, even at half-price, taste almost as good as fresh ones.

There is also a great buy on tomatoes and corn if you and Hillary go to the local farm and pick you own veggies.

□

For bargain shopping I would recommend the Thrift Shop in Vineyard Haven where you and your family can buy secondhand clothes and damaged toasters.

Most of the good beaches are private, and membership costs up to $40,000. Since that is exactly what you have to spend until the end of September, I suggest you try South Beach. It's public, which means nobody can ever find a spot to spread a blanket.

Martha's Vineyard prides itself on having a great deal of free entertainment. The Town Band gives free concerts every Sunday, and as long as they don't have to play in the rain they're as good as the National Symphony.

Movies are cheaper in the afternoon, and there are special rates for senior citizens and Secret Service men.

□

Mr. President, you have to pay to play golf at Farm Neck, but you can buy used golf balls at Trader Fred's. Fred keeps a large basket of balls at the door, and some days you can get lucky and find one that has been hit in the water by Vernon Jordan.

Here's a easy way to save travel money. They sell culls on the island — these are lobsters with only one claw. Some people spend their entire vacations eating culls and come home with money to spare.

Fred Fisher's Dairy Farm in West Tisbury rents horses for a dollar a ride, which should take care of all your staff's recreational needs.

If Hillary gets bored, she can go to the airport and watch the planes land.

Finally, you can take the entire family to the agricultural fair and climb over the back fence when nobody is looking.

I'm sure that with these useful tips you will be able to stay well within your budget and still have a heck of a thrifty time.

Deep Blue 'Junior' To Visit Philippines

Agence France-Presse

MANILA — Deep Blue Junior, a compact version of the supercomputer that beat Garry Kasparov in May, will visit the Philippines to play a series of exhibition matches in November, IBM said.

The junior version is capable of analyzing 50,000 chess moves per second, compared to 200 million per second for Kasparov's conqueror.

The Personal Cinema of Cassavetes (and Son)

By Phillip Lopate

Film Forum

John Cassavetes, whose films about love and character meltdown are enjoying a revival.

NEW YORK — John Cassavetes's reputation as a director has undergone a remarkable transformation since his death in 1989 at the age of 59. Once viewed as an amateurish maverick who brokered self-indulgent improvisations by his actor-friends, he has come to be seen, especially abroad, as one of the three or four major American filmmakers of the last 30 years.

Books are written about him; retrospectives are devoted to him; young directors from Budapest to Brooklyn imitate his passionate, infuriating dramas about love and character meltdown.

Somewhere the ghost of John Cassavetes must be chuckling. Six of his movies are to be revived at the Paris Theatre in Manhattan and the Laemmle Sunset Five in Los Angeles, setting the stage for the opening of "She's So Lovely," a film based on a Cassavetes script that his son, Nick, has directed, starring Sean Penn, Robin Wright Penn and John Travolta.

The convergence of a mini-retrospective and a generational collaboration across mortal lines provides a perfect opportunity to assess Cassavetes's legacy. How solid was his achievement? And how readily does it transfer to the present cinematic moment?

Cassavetes was, of course, also an actor, a broodingly handsome, riveting one who eventually specialized in suave villainy ("Rosemary's Baby," "The Fury"). Like Orson Welles, he took acting jobs early on to pay for his filmmaking habit. His first directorial work, "Shadows," is an irresistibly jazzy, black-and-white encapsulation of downbeat New York, circa 1960.

This free-form, interracial drama made everyone young want to go out and make a movie. The success of "Shadows" landed Cassavetes a Hollywood contract for two studio pictures, "Too Late Blues" and "A Child Is Waiting," which, while creditable, convinced him that he should never again direct a film he didn't write or couldn't control.

His next projects, "Faces" (1963) and "Husbands" (1970), took him more than seven years to make, and both had an aggressively raw, rough texture, as if he were distancing himself from Hollywood's dream-machine smoothness.

Perhaps because of the genesis of "Shadows" in acting workshop exercises, all later Cassavetes films were saddled with the mistaken label of "improvs," though each was in fact carefully scripted by him. One of the revelations in revisiting later Cassavetes masterworks like "A Woman Under the Influence" (1974), "The Killing of a Chinese Bookie" (1976) or "Opening Night" (1977) today is that they are much more tightly structured and narratively propulsive than they seemed when they had their premieres.

One reason it took film critics (myself included) so long to appreciate Cassavetes's virtuosity as a filmmaker was that he broke with the perspectives and deep-focus framing of classical mise en scene. He did so because he wanted to convey a sense of the world as always in flux, and of human nature as chronically unsettled, up for grabs.

Alcohol, a recurring motif in Cassavetes's films (and life: he died of complications of cirrhosis of the liver), and mental illness helped to destabilize the characters further, and plunge them into that open-ended "lostness" that was so central to his vision.

"I'm lost by life," Cassavetes said. Lots of artists say they don't want to know what they're doing, but Cassavetes meant it. "You have to fight sophistication. You have to fight knowing, because once you know something, it's hard to be open and creative."

These prescriptions betray an anti-intellectual bias, and indeed the relative absence of calm reflection in his characters becomes a limitation, forcing them into hysteria. On the other hand, his strong suits were intuition and an emotional sympathy for disordered souls, which allowed him to reach other truths.

Cassavetes began writing "She's So Lovely" in the late '70s, and it brings together many of the filmmaker's pet motifs: drinking, going crazy, the temporariness of life's roles, the reasonings of the heart.

Its scenario, in which a man and a woman skate a characteristic figure-eight of love, chaos, loss and restoration, favors sudden shifts, time-jumps, marginal outsiders. Even little touches like offering beer to a child and the word "de-lovelies" echo other Cassavetes scripts.

His son's "She's So Lovely" gives us the chance to encounter this intriguing, heretofore lost Cassavetes script — and to fantasize how the master might have executed it. Nick Cassavetes is nothing if not filial: His first feature was a vehicle for his mother, Gena Rowlands, the rather squishy but polished "Unhook the Stars."

"She's So Lovely" is even more visually poised, though its style seems shaped more by generation than genes. Where John Cassavetes shied away from violence and nudity, Nick Cassavetes is more modishly brutal and sentimental. His bag of techniques — a noirish lyricism that includes slow motion, music-video romantic montages, helicopter pull-aways and an emphatic score — streamline the ambiguously conflicted relationship of the two leads into more of a true-love fairy tale.

Cassavetes Senior also insisted on hope in movies (his favorite director was Frank Capra) but the voyage was rougher, making the optimism more deserved.

Given the obsessive, go-for-broke process by which Cassavetes made his movies, it would seem hard to recapture their inner spirit, however faithful the adaptation. Yet his oddball narratives and characters continue to tantalize other filmmakers: Sidney Lumet is reportedly doing a remake of Cassavetes's "Gloria" with Sharon Stone, and Nick Cassavetes is rewriting "The Killing of a Chinese Bookie."

While it could prove a dead end to try to imitate Cassavetes stylistically, his more lasting influence on American independent films may well be the example of his toughness and his determination to make personal films.

Phillip Lopate, the author most recently of "Portrait of My Body," wrote this for The New York Times.

PEOPLE

Christopher Moore

Ivanka Trump, modeling for Mugler.

THE American model who says she was ditched by **Dodi al Fayed** for **Princess Diana** opened her heart to a British newspaper on Monday, alleging that her former lover was a dud in bed. With the bizarre saga of the princess and the playboy showing no sign of losing its fascination, **Kelly Fisher** dished up the dirt on the heir to the Harrods empire who is said to have won the affection of one of the world's most glamorous women. "Dodi isn't a great lover," Fisher, 30, told the Sun. "He doesn't know how to pleasure a woman," she said. "At various points in our relationship I tried to drop subtle hints about ways to make our love life more satisfying. But he didn't seem interested." Despite all that, Fisher said she loved al Fayed "for his personality and for his kindness."

□

She seems to have this modeling thing down. There are the sexy outfits (when you show up for an interview wearing a floor-length see-through white dress, you tend to turn heads). And there are the banalities, stated in studied, contraction-free sentences. "I live for the moment," **Ivanka Trump**, the daughter of, well, you know, told The New York Times. "I do not fear the future because I think every experience makes you stronger. I am the kind of person who has no regrets." One should hope not. She is 15 years old. She has spent her life hiding from the cameras that haunted **Ivana Trump** and **The Donald** through messy divorces, high-flying deals and scandal-ettes, but now she is seeking her own limelight with a modeling career that has recently included a walk down a Paris runway, a Seventeen magazine cover and advertising campaigns for **Tommy Hilfiger** and **Thierry Mugler**. And on Wednesday, Trump will make her live television debut before many millions as co-host of the Miss Teen USA pageant.

□

Sean Connery escaped unhurt but shaken after a brick thrown from a bridge hit the roof of his Range Rover and shattered the windshield, The Mail on Sunday reported. Connery, 66, was returning to his London home after filming scenes from his movie "The Avengers" when the vandals struck. "Sean was shaken up," an unidentified associate was quoted as saying. "We are still trying to establish exactly what happened. He is not feeling very well at the moment — he also has a stomach problem." Connery was confined to bed and could not take calls, the newspaper said.

The Calcutta-based Missionaries of Charity, formerly run by **Mother Teresa**, distanced itself Monday from a proposed television series on the life of the Nobel Peace Prize-winning nun. **Sister Nirmala**, who took over as head of the order this year, said the film had not been authorized by Mother Teresa. A close associate of the order said that the "glamorized" film could spread "wrong notions." Their statements followed reports that Hallmark Entertainment was planning a film starring **Geraldine Chaplin** and written by the French author **Dominique Lapierre**.

□

Fred Astaire's widow says she rarely gives others permission to use his film clips because she wants to protect his image. "He was worried that after he was no longer around that he'd be taken advantage of," said **Robyn Smith Astaire**, 52. "I promised him I wouldn't let that happen." The dancer died in 1987, leaving his wife the right to manage his intellectual property. Her attitude, and the high fees she sometimes charges, have drawn criticism. "What saddens me is there will be a generation of people growing up who think **Gene Kelly** was the No. 1 dancer in Hollywood," says **Tom Karsch**, senior vice president for Turner Classic Movies.

Attila Seres/Agence France-Presse

ANOTHER KIND OF RACKET — John McEnroe of tennis fame playing at a rock concert on a Belgian beach.

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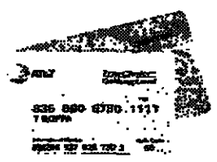

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